

Shetland in the World Economy:
a sociological history of the 18th & 19th centuries.

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This study is an analysis of the social factors in the route and form of social and economic development of Shetland in the eighteenth and nineteenth centuries. It calls into question the orthodoxy of the "whiggish" evolutionary explanation which concentrates on the control of external trade as the dynamic in this development, and replaces it with a more radical materialist account. The historical development of the Islands is therefore seen as being constructed through the complex interrelationship of a series of social and economic factors of which the most important is the social organisation of production, in particular the periodic crises in that form of production. The thesis details the historical formation of the particular form of social organisation in Shetland and then evaluates its long term effects in the light of the economic developments of the early/mid-nineteenth century. As such it is an argument for the central importance of historically created social relations in any analysis of development.

Declaration

This thesis has been composed by myself and the research on which it is based was my own work.

Dedication

For Sue.

Acknowledgements

I would like to thank those without whose help this thesis would not have been possible. The staff of the National Library and the Scottish Record Office, and Brian Smith in the Shetland Archives. My supervisors; Frank Bechhofer, Bob Morris, and Dave McCrone, for their generous and valuable advice and encouragement; particularly in the final stage of writing and typing this thesis. I am indebted to all my friends and colleagues at Edinburgh University, both in the sociology and economic history departments. I would especially like to thank my wife for her love, support, encouragement, and patience.

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CHAPTER 1

INTRODUCTION

A precarious, restricted, and threatened life, such was the lot of the islands, their domestic life at any rate. But their external life, the role they have played in the forefront of history far exceeds what might be expected from such poor territories.¹

Those who are acquainted with the history of Shetland must agree with the typically perceptive quote from Braudel. The history of the Islands provides us with a valuable test for more general ideas on social and economic development in peripheral areas, as well as adding to our knowledge of the history of modern Britain, indeed of modern Europe. Furthermore, within the last twenty years, there has grown up a strong local historiography which includes discussion of the reasons for the structure and route that Shetland's development has taken. This thesis sets out to ~~assess critically~~ these debates and literatures, and through the use of new sources, add to our understanding of the social factors that are crucial to social and economic development. The thesis concentrates on the eighteenth and nineteenth centuries for reasons that will become clear.

Before going into detail on the theoretical and historical background of the thesis a short statement on the position argued in the thesis will clarify the later discussion: firstly, that the arguments put forward in marxist theories of development are unable to explain the historical route of Shetland's development in the eighteenth and nineteenth centuries; secondly, that major writers on the social and economic history of Shetland have not

provided an adequate explanation for that route either, because of an over-emphasis on trade. Thirdly, the argument presented in the thesis is that it is only through an understanding of the social organisation of production within the Islands in relation to the history of the changing relationship with the "external" world that we can come to a full explanation of the form that social and economic change took in the Islands.

By the term "the social organisation of production" is meant both how people organise their labour to produce their subsistence and other social and economic needs, as well as the more general class structure. This has its origins within Marx's materialist social philosophy but without the metaphysical Hegelian notions of evolutionary progress and the historical mission of social classes. Marx correctly saw that it was human endeavour that was the start of any analysis of the world, and that it was the way in which production was socially organised that was the most significant. Therefore much of the thesis deals with the nature of production in Shetland and how that production is organised. Such an analysis emphasises the relationships that exist between people, individuals as well as social groups, within such a structure.

Since this thesis concerns itself both with sociology and history (although ultimately any barriers between disciplines within the humanities are arbitrary), it is necessary to outline how these are conceived. It would be a simplification but still true to say that sociology from its foundations in the work of Ferguson and Vico through Marx and Weber up until the present has

been the writing of the history of human society, and as such any true sociologist has also been a historian. For a "dialogue of the deaf"² there is a remarkable number of works on the relationship between sociology and history. Too many are concerned with the old ideographic/ nomothetic distinction, or the polemic for more theory in history or more history in sociology,³ to be of any real value to review here. In general there is agreement with the claims of Burke and Morris that the most fruitful area of collaboration between the subjects is within the field of social history.⁴ It is here that there has been the greatest exchange in recent years. Similarly there is personal sympathy with the argument of Philip Abrams that good sociology and good history are in truth attempting both to ask and answer the same questions using the same methods, and that they should be united:

I am not talking about the need to give historical work some "social context", nor about the need to give sociological work more "historical background", nor even about the desirability of each field of work being "informed" by work in the other. What I have in mind is a more radical recasting...a more open and thorough-going recognition of the extent to which in some fundamental respects the two disciplines are trying to do the same thing and are employing the same logic of explanation to do so.⁵

Abrams argues that historical sociology should be the study of the historical processes involved in the creation (and dissolution) of social structures. Through presenting such a theory of structuration Abrams attempts to address the dilemma of action and structure and as such unite the features that have traditionally been regarded as the exclusive territory of the historian (action) and the sociologist (structure). This concept of historical process is a powerful one and one which is

used in this thesis, although a particular interpretation of process is used which is located within a marxist tradition.

Why then if there is general agreement with Abrams is the term "sociological history" preferred to that of "historical sociology"? In the end the difference in terminology is personal however it is felt that there remains a distinction between the historian and the sociologist (although any one individual can be both). "Sociological history" conveys the sense that the thesis is a piece of detailed historical research that is informed by historical as well as sociological debates on the nature of social change.

Every thesis has its own history and this one is no exception; and the final form of the thesis is itself a product of this history. The initial impetus for this study had two strands, the first was the personal experience of growing up in Shetland in the 1960's and 70's, and particularly formative was the local and national response to the coming of the oil industry. The second was as an undergraduate student coming into contact with the neo-marxist theories of development, in particular the work of Immanuel Wallerstein. Let me take each of these separately.

The seventies saw a rapid increase of national interest in the Shetlands, for the islands were sinking under the weight of television crews and journalists, not to mention social anthropologists and sociologists. The impression they gave was of a quaint, but rather simple people, whose traditional way of living, which had been carved out of an inhospitable environment

over a period of centuries, was about to be destroyed by the all-powerful multi-national oil companies. It appeared as if the forces of modernisation were about to claim another endangered people in its unstoppable historical mission. The natives' response, besides that of their natural politeness to well-meaning but otherwise ignorant outsiders, was to hide themselves in their own petty but populist localism. There was a great increase in interest in local history, and numerous articles, pamphlets, and books were published and eagerly consumed.⁶ The quality did not seem to matter, and little based on new research was published in that decade. The old histories written a hundred or more years previously were being re-hashed and churned out for a new audience (academic work discussed below). No one could have lived through that period and not be deeply aware of their history, but it was a history presented in such a way that did not bring the Shetlander closer to the rest of Britain, never mind Scotland. Little Shetlandism ruled, and there was strong anti-EEC and anti-Scottish devolutionist sentiment in the islands, the concrete expression of this being the formation of the Shetland Movement.⁷ When it seemed that the local council had won against the oil companies and secured the finance that guaranteed the well-being of the future of the islands all cheered the David and the localism was only reinforced. Those days now appear sadly naive.

When I first came into contact with neo-marxist theories of development I was impressed by their scope and analytical power in explaining the historical processes of social and economic change. The work of Immanuel Wallerstein and Andre Gunder Frank

were the most influential. At that time it seemed clear that what was required was for someone, if no one else then myself, to write the history of Shetland's social and economic development, based on original research and using such a theoretical perspective. It seemed obvious that the actual problem was that the history Shetland far from being that of isolation and seclusion from the external world was one of the relationship with the rest of the world. To put this in marxist terminology, the history of Shetland is the history of its relationship with the capitalist world economy, not the lack of such a relationship.

Once the research had begun three events brought about substantial changes in this plan. The first was reading Hance Smith's Ph.D. thesis, *The Historical Geography of Shetland's Trade*, (Aberdeen 1969), which was both too close in content, and in theory (even if only implicitly) to that of my own research for mine to continue in the same vein. The second was the discovery of a rich historical source as yet unstudied which demanded to be used, namely the papers of the Hay family, the single most important entrepreneurial family of the eighteenth and nineteenth centuries. The third was increasing disillusion with the theoretical framework chosen, Wallerstein's world-systems theory (as my supervisors well know). The result was twofold; first, to concentrate the thesis in topic; the second to take a more pragmatic theoretical position influenced by wider debates on social change and by the historical sources themselves. Probably the single most important influence on this change was Hance Smith's thesis. In many ways this thesis is a

response to his work to such an extent that this thesis tests (or in a more Popperian sense tries to falsify) his framework for explaining development in the Islands, in particular his analysis of the shift from lairds to merchants in control of the economy. Furthermore, the thesis became concentrated on the role of entrepreneurs in Shetland society and economy in the important transition period from the late eighteenth to the early/mid nineteenth century, an important period not only in Shetland but also in the creation of the modern world economy. Surprisingly this is the least understood and researched period, Smith's work notwithstanding. With this change new interests were created and new knowledge had to be acquired.

The fact that the original research for the thesis is primarily based on one family has its own problems (the nature of the sources are described below), the most important of which is their validity as a source. Their importance cannot be doubted, for they are the only surviving merchant papers of any value. However by their very nature they are untypical; the Hays were the single most important mercantile family in this period and as such are not representative. The attempt has been to integrate the new information from this source with that from already used sources and with what is currently known about Shetland, in a critical manner. In places evidence has been found to support the "old" opinions, giving them a more solid foundation, but it has also refuted others. This has helped the shift from an earlier very theoretical position to the present one, where the actual evidence has pointed the way to new insights and new ideas. This has gone a great way to creating

the tone and feel of the thesis, as well as giving it substance. The desire has been to unite explanation with narrative, to combine analysis with exposition, and any failure rests with the author alone.

As already stated the most important influences on the theoretical position of the thesis were neo-marxist theories of development, in particular the dependency theory mainly associated with Andre Gunder Frank and the world-systems theory represented in its most developed form by Immanuel Wallerstein. This naturally led to an interest in more general debate over marxist theories of change which led to a revision of the original position.

Within post-war marxist writings on development two schools of thought can be identified, each in opposition to the other in what they regard as the most important dynamic in determining social change. These can be summed up under the general headings of "externalists" and "internalists". It is worth remembering that the disagreements are over emphases and that the arguments are part of a continuing debate. It is also clear that these distinctions are possible within marxism because of ambiguities in Marx's own writings. The debate over which side represents the 'true Marx' is sterile and non-productive and it is suffice to say that the "externalists" follow the argument given in the German Ideology, and the "internalists" that of Capital Vol. 1.

The authors most associated with the "externalist" school
8
are Sweezy, Frank, and Wallerstein. In their work the central

dynamic is exchange relations. So in Sweezy's and Wallerstein's studies of the transition from Feudalism to Capitalism the importance of the role of the growth and expansion of international commerce in breaking down feudal barriers is emphasised. Other important factors (and this is particularly evident in Frank and others writing on Latin America) are the voyages of discovery leading to the conquest and exploitation of the New World. In short the West only developed by underdeveloping the rest of the world. The periphery is exploited to benefit the core; surplus is extracted from the periphery to the core first (in historical time) through imperial and colonial control and later through the market system. Within Wallerstein's theory the periphery is integrated in a world-system through the processes of exchange such that the core extracts surplus value. It is not entirely clear by which means the market is able to break down existing social relations and recreate new forms that are more in tune with the needs of the international commodity markets, besides the obvious means of conquest.

Coming nearer home there have been several works written on Scotland using the above framework. There is the immediate problem that Scotland far from being the European equivalent of a banana republic was in the nineteenth century one of the most advanced industrial countries in the world and in the late eighteenth century through the Scottish Enlightenment the creator of the ideological framework for the new capitalist world. The Highlands is the region of Scotland which is most open to an "externalist" analysis, and the study most relevant to Shetland

is Ian Carter's "The Highlands of Scotland as an Underdeveloped
Region"⁹ Carter uses Frank's model of underdevelopment to

explain the historical development of the Highlands, arguing that it was due to capitalism that the Highlands are in their present social and economic condition and not because of the lack of any relationship with capitalism. The two great industries of the Highlands, cattle and kelp, were commercial in character and developed by the lairds for export to markets outwith the Highlands. When market conditions were favourable and prices were high these industries produced large returns for the lairds. When prices were low, as happened to the kelp industry after the Napoleonic wars when prices collapsed as imports of barilla resumed, rents were increasingly paid in kind and general indebtedness of the tenantry increased. The estates that had depended on the production of kelp found themselves in the vice of declining income and increasing costs. In the face of these pressures the direct control by the lairds over the tenants was tightened up; and socially the estates took on an increasingly feudal character. By the mid-nineteenth century most of these estates were bankrupt and either had been or were in the process of being sold off. Carter concludes that this shows that the Highlands were certainly an underdeveloped region but not an undeveloped region.

This article highlights the strengths and weaknesses of this form of analysis. The strength lies in emphasising the commercial nature of societies such as the Highlands and their connection with wider market forces. The history of the

Highlands as that of Shetland is not separate from the rest of the world. The main weakness is the poor definition of capitalism, which is seen as any production destined for exchange in markets, and as such stresses external economic relations over internal socio-economic relations. This means that as soon as some production in the Highlands was for external exchange, the Highlands became capitalist. This obscures the actual internal structure of the Highlands. In the case of the Highlands, and as we shall see Shetland, that there is economic success allowed the maintenance of a system of non-capitalist landholding, that is, the tenants did not pay a money rent and the laird lived off that rent but where the laird relied on the direct labour of the tenant and where the tenant was unable to pay a cash rent. These were certainly commercial societies but they were not cash societies. These were societies in which much of the productive effort was geared towards external markets but they were not organised along capitalist tenancy or on free wage labour, but on the control of labour through the system of landholding. The important point is that a close relationship with markets did not lead to the introduction of capitalist landholding but to the strengthening of a localised form of pre-capitalist landholding.

The "internalist" arguments have been mainly developed by Dobb, Hilton and Brenner.¹⁰ They through their criticisms of the "externalists" emphasise the role of social relations and the working out of internal contradictions within a mode of production analysis. They have been less concerned with the position of the periphery and more with working out a general marxist theory of social change in particular the transition from

feudalism to capitalism. Within such a schema the periphery becomes part of a capitalist system as this expands to overcome its own internal contradictions. The power of the internalist critique is their emphasis on social relations and on internal social structures in shaping development. In terms of the periphery its applicability is less clear besides this emphasis on social relations. The nearest discussion on the role of the periphery is Brenner's criticism of the "externalist" tendency to reverse causality. Here Brenner argues that instead of dependency leading to underdevelopment it is underdevelopment which leads to dependency. In a similar vein, Smout in his criticisms of Wallerstein's analysis of the union between Scotland and England argues that in at least the case of Scotland dependency led to economic development.¹¹

There is also a more serious theoretical problem with using a mode of production analysis for social formations on the periphery, since mode of production refers to social relations and not to any geographical unit. Marx seems to mean different things by the concept in different parts of his writings. For example it is not clear if mode of production refers to: an abstraction from actual social relations; or that it is an ideal type of social relations that does not correspond totally with any actual set of relations found in the real world; or, that it is an abstraction of a set of social relations found in certain enclaves but are those which will come to dominate social relations in that they will expand to consume all others. These tensions within Marx's writings are never satisfactorily

concluded. Althusser's and Balibar's concept of the articulation of modes of production merely compounds this problem, resulting on the one hand in an expansion of different modes of production [why not a Shetland mode of production?] and on the other to questions as to how abstractions can be joined and how it is that capitalist social relations reproduce non-capitalist social relations and vice versa.¹²

It is clear therefore that there are great difficulties in using either an internalist or externalist perspective to explain the route and form of development in Shetland in the eighteenth and nineteenth centuries. There is certainly value in both sides. Writing on the world-systems theory Chirot and Hall state that:

Whether or not one agrees with all of its conclusions, it is abundantly clear that a world-wide perspective has become the minimal requirement for the intelligent study of social change.¹³

In terms of understanding the importance of relations with the external world, this is certainly true of the history of Shetland. But such a study needs to be tempered by an analysis of the historically created social relations within the Islands. What then becomes important are the historical processes of the interrelationship between social and economic factors which cannot be abstracted from human action but must be studied as the historical actions of people. In Shetland we would not expect to find "pure" forms of any social relations (it is not clear that there ever have been any "pure" capitalist social relations) and there is no value in establishing false categories. The problem as conceived by the "externalists" is the examining of the

processes by which social formations in the periphery are created by market forces. The problem as conceived in this thesis is somewhat different. It is the specific historical context within which the social organisation of production is created that is of first importance. This is analysed within the context of changing social and economic conditions. It is interesting that in both Shetland and the Highlands the relationship with the wider world economy did not lead to the introduction of capitalist forms of landholding and production, but to the maintenance of the older form which had long-term consequences for the social and economic development of the regions.

Shetland has a rich historiography, too great to be adequately covered here. Much of this interest has been due to the Islands "Norse" heritage and the "romantic" attraction of wild and desolate islands far in the north. More recently there has been a significant development in this historiography, a number of Ph.Ds theses have been completed on the history of the Islands. These are solidly based on research and have added immensely to our knowledge of the history of Shetland. Several have been important to this study, in providing details and background knowledge and pointing to the important areas of debate and dispute. These are (to take them in chronological order of publication or award): Hance Smith, Alistair Goodlad, Jonathan Wills, and Frances Shaw. Of these only Frances Shaw's was done in a history department, all the rest are historical geography theses.

Hance Smith's *The Historical Geography of Shetland's Trade*

(Aberdeen 1969) is the most important and is dealt with in greater detail below. This thesis was until the publication of his most recent work, *Shetland Life and Trade. 1550-1914*, the most important economic history of Shetland, and provided the background knowledge for those that followed it. Alistair Goodlad's thesis was published as *The Shetland Fishing Saga* (Lerwick 1971) and is a detailed history of the main fishing industries, with a recognition of the relationship between the fishing and social factors. This thesis through the use of new sources adds to our knowledge of the development of these fisheries, although the present author does not pretend to have the intimate knowledge of Shetland fishing possessed by Goodlad. Jonathan Wills' thesis *Of Laird and Tenant* (Edinburgh 1975), is a study of one of the main landed families, the Mouats of Garth, during the eighteenth and early nineteenth centuries. Through the excellent use of their family papers Wills has added greatly to the social history of Shetland and has been an obvious influence on this thesis. Francis Shaw's thesis was published as *The Northern and Western Isles of Scotland: their Economy and Society in the Seventeenth century* (Edinburgh 1980), and as its title states is work of comparative history. What is most revealing in this study is the relatively high level of economic activity and commercial sophistication of Shetland compared to the Western Isles; and that this was based on the Islands' relationship to Europe not with Scotland (or England). Mention must also be made of the work of Brian Smith both as author of several excellent articles and as local archivist who has done

much to aid all those who have studied the history of Shetland.

These have provided a firm base for this thesis.

Of all of those writing on and about the history of Shetland Hance Smith is by far the most important and his works require more detailed examination than given above. This is especially true since his works are nearest in interest to the concerns of this thesis; and he has developed his ideas and writings over a period of some fifteen years in both academic and popular forms. In particular his most recent work, *Shetland Life and Trade 1550-1914* (1984) was greeted as a significant work. Brian Smith, in his review called it:

...the most important work on the economic and social history of Shetland yet written...Hance Smith's book is...unsurpassed and well-nigh unsurpassable.¹⁵

Anyone who wishes seriously to discuss the history of Shetland must address the issues raised both in this book and within Smith's work as a whole. The following attempts to get at the heart of understanding the historical processes at work in the social and economic change of Shetland through criticisms of parts of Hance Smith's work. This is not to show that his work is poor or weak, on the contrary it is by far the best yet written on Shetland and is likely to remain so. Rather, it is an attempt to address the problems which require greater study and treatment than they have received as yet. To quote Baechler:

...the critique of an already established thought is the most convenient way to arrive at a new statement of the problems.¹⁶

This analysis concentrates on Smith's three main works: his Ph.D. thesis, *The Historical Geography of Shetland's Trade. 1550-1914* (Aberdeen 1969); the popular version of this is *The Making of Modern Shetland* (1977) (first published as a series of articles in the *New Shetlander* in 1974); and the recent *Shetland Life and Trade*. These all have a similar structure and follow a similar argument, although the structure and content have improved. The thesis established the original format to which he has been faithful, perhaps too faithful. The 1977 work set this out in a popular form for a non academic audience, and has the benefit of making his argument and theoretical position more concise and clearer than in the thesis. The 1984 work established Smith as the single most important writer on the history of Shetland, and shows that his work has matured, as the work of any good academic should.

There are important areas of agreement between the position of this thesis and Smith's opus (see above for personal statement). This includes the necessity of understanding the important role of the world economy in the formation of Shetland's history. Rather than Shetland being isolated from the rest of the world by the North Sea, the sea was the means of contact with the rest of the world, not a barrier:

To the Shetlanders themselves living in the islands or looking back to the Old Rock, the sea was more of a bridge, a link to the world beyond, the world of ships, distant ports, seamen, trade, politics and war. The sea was all around and its imagery ran deep, as a provider and a highway, and as a foundation of Shetland life itself. It is thus important to appreciate that Shetland was and remains in reality far from remote in the context of things British and European...The rapid cultural development of Europe and Britain, and the political turbulence associated with it, was ever in front of the Shetlanders, generally on the doorstep in the form of pirates, privateers and straightforward naval warfare, as well as in the numerous personal and trade contacts.¹⁷

To the Shetlanders, as to the Greeks and the Norse before them the sea is a highway to the world. To understand Shetland, its history and its present situation, then, the important factor is this history of the relationship with the capitalist world economy, not the lack of such a relationship. Smith's work takes such a form, although not as self-consciously stated as this.

The structure and organisation of his work has remained the same over the fifteen years. Shetland's history up to 1914 is divided into three periods, within which a distinct social group controlled the trade the economy of the Islands, and these are:

- (1) 1550-1710 when itinerant German merchants dominated.
- (2) 1710-1790 when local lairds controlled.
- (3) 1790-1914 when local merchants took over from the lairds.

Smith's concern is with the historical development of Shetland's economy, which mainly takes the form of the history of the penetration of the market into the islands. This is viewed as leading to material (and social) improvement for the population. In each distinct period there is a distinct group of "innovators" who control the economy. Smith is well aware that this is a "whiggish" analysis:

...the primary focus is upon the preoccupation of successive groups with material betterment, which is an important distinguishing feature of the modern European period, and which may even have something to do with the characterisation of the thrust of my research preceding this book as constituting a "Whig interpretation of history"! 18

He makes no attempt to refute this claim, indeed he seems quite happy with the label. The various works mentioned above are littered with "whiggish" statements; the history of Shetland is a history of "progress", of "enterprise", of "innovators", even of invisible "forces promoting development". The main problem with the "whiggish interpretation of history" as identified by Butterfield is that it "emphasise(s) certain principles of progress"¹⁹, and that in individual studies:

The party that is more analogous to the present is taken to be more similar, more modern than close examination would justify. 20

We shall see that Smith does exactly this when discussing the transition from lairds to merchants. Furthermore this is placed within an evolutionary theory of progress where development is cumulative.

This can clearly be seen in his discussion of the shift of control from the lairds controlling the economy through their holding of land, to merchants based in the town of Lerwick. The date given for this shift is 1790, although there had been growing mercantile influence since the 1760's and the lairds continued to be important afterwards. To put it in Smith's own words:

By 1790, the spotlight was shifting away from the haaf stations towards the Lerwick lodberries as economic and social "progress" continued. 21

This economic progress is seen as economic innovation moving from the lairds, who had in the eighteenth century established "a solid foundation for Shetland's economy",²² to the Lerwick merchants. These merchants are viewed as a distinct social group and are referred to as capitalists, although it seems that Smith is using this to mean men of capital rather than in any strict marxist sense. The merchants built on the foundations left by the lairds who were no longer able to develop the economy due to their economic conservatism and lavish lifestyles. The merchants are what Smith terms "the forces promoting continued development",²³ which were "stronger than the very considerable ones tending towards the collapse of the economy".²⁴ The reasons why this shift was necessary are spelt out in detail:

Contemplation of further expansion and improvement, such as the scheme for supplying men to the Greenland fleet, and agricultural improvement, required further division of effort - in short the rise of the merchant class, first alongside, then supplanting the landlords in Trade. The position has been perhaps most succinctly put by Rostow, discussing the ideas of their great contemporary, Adam Smith: "At the core of the Wealth of Nations...is Adam Smith's perception that surplus income derived from the ownership of land must, somehow, be transferred out of the hands of those who would sterilise it in the prodigal living, into the hands of the productive men who will invest it in the modern sector, and then regularly plough back their profits as output and productivity rise". By 1790, accompanied by considerable friction between landowners and merchants, this was just beginning to happen in Shetland trade. 25

There are several problems with this distinction between merchants and lairds. There is the immediate problem that he presents them as being too clear cut and he qualifies his statements by recognising that many merchants were land owners in their own right and that several of the lairds remained "innovating" within the local economy. For example, the "few

members of the old landowning families" that Smith regards as still being economically active: the Mouats of Garth, the Bruces of Symbister, and the Bruces of Sumburgh, collectively owned over

a quarter of the land in Shetland. Certainly Mouat and Bruce of Symbister were among the most important lairds in terms of the haaf fishing as well as the herring fishery. More important than this is that the merchants are forced to play a social and historical role beyond that which they actually did or indeed that they were capable of doing. The merchants are "A New Class

of Men" and Shetland was now under "The Rule of the Capitalists". This attempt to give the Lerwick merchants a historical mission on a par with the industrial bourgeoisie just does not hold. They are presented as agents of modernisation in conflict with the lairds yet only one example of this conflict is given (discussed in greater detail in chpt. 4). In a similar

vein Wills could claim that "the history of the nineteenth century struggle between merchants and lairds is yet to be written" , and he was studying one of the most important landed families in Shetland at the time of all this class conflict. If anyone could find the evidence for the struggle surely it would have been him. There is the crucial problem of explaining the social regression of the mid-nineteenth century. When the Truck Commission came to examine the Islands in 1871 what they discovered was a social system hardly changed from that of a hundred years previously, the only difference being that this was organised by the so-called "merchants" as well as the lairds. There is general agreement that there were changes in the personnel that operated certain aspects of the Shetland economy.

There was a shift in the control in the external trade of the Islands from the lairds to a group that can be called merchants (and would be recognised as such by contemporaries). Also that the traders based in Lerwick did come to play a greater role in a whole range of commercial activities, that is accepted. The area open for argument is, what does this actual^{ly} mean for the historical development of Shetland? Or to put it in even simpler terms what did it mean for the Shetland tenant?

The problem is one of forcing people into categories when what is important is to study the processes at work. Such that the relationship between theoretical analysis and the social world are reversed; instead of the theory helping us to understand and organise the complexity of social life it obscures matters by predicting relationships that do not necessarily exist. Such that if the merchants are the new modernising capitalist class and the lairds are an old, worn out, class no longer able to provide the new ideas required. And since trade is the dynamic aspect of the Shetland economy than there must be conflict over the control of trade. However, it is clear that it was not merchants that were innovative but that it was certain merchants, to quote Smith once more:

The key to understanding the period is an appreciation of the dominating influence gained by a handful of men among the merchants. 30

And of these "Head and shoulders above them all was William
31 Hay" It was a few individuals who played the important role that Smith has given to a social group. Just as in the early decades of the eighteenth century it was a small number of

innovators, again mainly with mercantile backgrounds, thus suggesting a greater continuity in Shetland's ^{history} ~~s~~. It is more important to study the social conditions within which new developments are able to take place.

For placing such central importance on enterprise it is surprising that Smith does not discuss it in relation to Shetland. There are of course many difficulties in adequately discussing enterprise and the nature of entrepreneurial activity, not the very least of which is the sheer scope of the literature ³² and the technical problem of defining entrepreneurship. The old orthodoxy that entrepreneurial talent was the prerogative of one social class (the industrial capitalists) has come under increasing attack. It is now clear that enterprise and innovation was shown by members of all classes, by landowners as ³³ well as the new industrialists. Some anthropological studies have emphasised the social context for understanding the nature of entrepreneurial activity, and that entrepreneurs are in a ³⁴ constant state of "negotiation" with this social environment. This again highlights the processual nature of human action, and suggests that linear models of economic development do not hold. One of the problems arising from studies of entrepreneurs is that they concentrate on success and the successful, whereas in reality most are at best only partially successful and then for only some of the time. Failure is as much a part of the history of entrepreneurship as success. Baechler in his discussion of the origins of the entrepreneur argues that this occurred when ³⁵ the merchant first entered the sphere of production. This holds true for Shetland, for it was when the Hays began their

attempts to introduce new forms and areas of production that the economy expanded, but this was in a complex social and economic context. When new developments occurred many of the lairds were equally as active as any "merchant".

Towards the end of *Shetland Life and Trade* Smith suggests that economic development should be seen as a social history:

Probably Shetland's economic development should be seen as part of social change, rather than the other way around, so that each distinctive social period had characteristic economic attributes and impact upon land and sea. The reason for this is the clear influence of enterprise in guiding development.[emphasis mine] 36

At the beginning of the work he had stated that it was not a
37
"social or structural history", and if he had taken this stance his final argument would have been much closer to that in this thesis, for by taking external economic relations as the most important factor in development he has missed the crucial social factors. To Smith then the history of the economic and social development of Shetland is one of enterprise and progress where the economic initiative shifts from one social group (class?) to another. When the social and economic developments possible by one group have been exhausted, a new, more dynamic, class of innovators are required.

It has been argued that the existing interpretations of the history of Shetland do not adequately explain the social and economic development of the Islands in the eighteenth and nineteenth century. It is also the case that the main marxist theories of development are flawed when it comes to discussing the development of the periphery. The tendency has been to neglect both social processes and internal social relations.

Smith's emphasis on the central role of Shetland's external trade has placed those that organise trade as the innovators in the economy, and he has placed this within an evolutionary model of progress. The conclusion can be drawn that what is required is a detailed historical study that emphasises the complex relationship between social and economic factors. Working within a marxist materialist tradition such a study must begin with the structure and organisation of production. Then it must emphasise the processual nature of historical change, for it does not take a linear route but is contingent and is the product of many forces. Being a work of history it lets the sources indicate the questions to be asked and the structure as much as any pre-ordained theory.

The concerns of this thesis are therefore rather straightforward: firstly, to show that the existing explanations for the history of Shetland in the eighteenth and nineteenth centuries are seriously limited. This is done by examining Hance Smith's argument for the shift in economic and social control of the Islands from the "Lairds" to "Merchants" and that this was a necessary part of an evolutionary development of social and economic progress. This has been done by analysing changes in the social and economic structure of Shetland over this period. The thesis argues for a more complex explanation which emphasises the relationship between internal social factors in particular the social organisation of production and wider economic factors. The emphasis on production reveals that the areas of conflict were not in trade but over the control of

tenants' labour, that is in the sphere of production. The role of enterprise in the economic and social development is examined through the detailed study of the fortune of the Hay family, which highlights the complex and contingent nature of change in Shetland. Finally it is concluded that the social and economic history of eighteenth and nineteenth century Shetland is not one of progress and enterprise, but of the failure of progress and enterprise. It is not the history of the victory of the "merchants" over the lairds but of the failure of the "merchants" to create a new society.

The structure of the thesis is:

Chapters 2, and 3, an outline the establishment and structure of the form of social organisation in Shetland, the "Zetland Method", and the form of production that it was based on, the haaf fishing, in the eighteenth century. Chapter 4 shows the crisis in the Shetland economy and society towards the end of the eighteenth century, a crisis which saw a restructuring of the organisation of the external trade and commerce of the Islands.

Chapter 5 deals with the developments in trade and the growth in wealth and power of the Hays from the 1770's to the 1820's. Chapter 6 is on the Greenland Whaling, important for the growth of a cash economy and an area of dispute between the agents and the lairds since it undermined the laird's control of his tenants.

Chapter 7 covers the establishment^h of the Herring fishery in Shetland, for the 1820's and 30's saw a dramatic rise in the production of cured herrings, independent of the Scottish

fishery. It was a remarkable period of economic growth, only to collapse in the late 1830's and early 1840's, bankrupting the Hays in the process and ending a period of indigenously generated growth.

Chapter 8 deals with the cod fishery. Developed at the same time as the herring it remained secondary until the collapse of the herring. In the 1850's and 1860's it was an important fishery organised on the semi-capitalist half-catch system. These chapters show what developments there were in Shetland and the critical role played by the Hay family in their establishment, but also how limited they were in their long term effects.

Chapter 9 deals with the changes of the social organisation of Shetland in the mid and late nineteenth century. After the great developments of the 1820's and 30's the collapse of the Shetland Bank and Hay & Ogilvy in 1842 the old system was restructured (although it had never been completely ended) around an unholy alliance of merchant (sic) and laird as described in the Truck Commission report of 1872. It was not until near the end of the century that the old bonds were finally broken by a combination of the second coming of the herring fishery (this time under the control of Scottish curers) and the Napier Commission.

Conclusions are drawn in Chapter 10.


POSTSCRIPT

A NOTE ON SOURCES

Most of the original research for this thesis has been based on the family records of the Hay family, who were the most important mercantile/ entrepreneurial family in the eighteenth and nineteenth centuries. Since the content of these papers has been crucial in the structure and content of the thesis, then it is necessary to say a little about them, their strengths and weaknesses as a historical source. Much of their importance is due to the fact that the main body of the papers has never been systematically studied, and virtually the only exception has been for details on the Shetland Bank. There are four separate collections which make up the Hay family papers divided between Edinburgh and Shetland.

At the National Library of Scotland there is the Hay of Hayfield manuscripts (acc. 3250), a large collection mainly covering the period 1760-1860, and consisting of commercial, legal, and family papers of three generations of the Hays. At present there is not an index, only an inventory to the collection, in a somewhat variable internal order by chronology and subject. This makes clear referencing difficult. To overcome this, when referenced the box and file numbers are given along with the date of correspondence, account etc., and further detail which is required to give as clear a reference as possible. It is a large collection consisting of some 118 boxes and 180 "other items", covering all aspects of the Hays' business and family life, but concentrating on their commercial activities. This is the single most important collection on the

Shetland economy from 1770 to 1820's.

In the Shetland Archives (SA) in Lerwick there are three different collections concerning the Hays. Two of these are well known, although one has been neglected in previous studies. The third has never been used. The Hay of Laxfirth manuscripts (SA D4) are a small collection of a few boxes well used. The Hay & Co. papers (NRA 0650), although mainly  cover the history of the company from its formation in 1844, does contain much valuable material on the earlier period, in particular on the whaling industry. J.R. Nicolson based his recent book on the history of Hay & Co. on these. At the time that I used them they were still walled up at the offices of Hay & Co. in Lerwick. Luckily (for any future researcher) they are now in the Shetland archives.

The most important source in Shetland was more of the Hay of Hayfield collection, originally destined for the National Library. They never quite made it. There are 36 boxes of material in no order, much of it in poor condition, and it has never been studied. This fills many of the gaps in the collection in Edinburgh. Where referenced, the date and as much details as possible have been given. However since much of the thesis has been collated from several of the collections i.e. fish prices, it would be prohibitive to give full referencing as this would require a separate volume in itself. Much of the detail on the Hays has come from this "distillation" of the material, sometimes several hundreds of letters or accounts have led to only one paragraph or point.

Taken together, these collections, especially the two Hay of Hayfield collections, represent the finest sources on the history of Shetland at a critical time in its history. Much has been claimed for this period, but only through these documents does it become clear what actually occurred at that time. Without using these sources every previous study has been greatly weakened, although the sheer size and scope and state of disorganisation means that they require a thesis in themselves. There is one further problem in these documents; they have very little on Hay & Ogilvy. Hay & Ogilvy was the largest mercantile concern in Shetland from the 1820's until their bankruptcy in 1842, and they led all the economic advances of the period and had a near monopoly on trade, operated the Shetland Bank, and were the main agents for the Greenland whalers. When they went bankrupt almost all of the records of the firm were sent to the interim factor in Edinburgh. This is a great loss to the history of the islands, and to the thesis. It can only be hoped that they have not been destroyed and await discovery, and that in the future a thesis will be based on them. The result of this has been further to concentrate the thesis on the period 1770 to 1820, and to concentrate on James Hay over that of William. Every attempt has been made to overcome this defect. However all history must be written within the confines of the sources, all history can only be partial, and all history hopes to add to our knowledge which will never be complete. With these sources, mainly business records, a great deal has been attempted perhaps too much. It tries to be a social, economic, and business history all in one; it attempts to unite theory, analysis, and description

within the narrative. The failings are the author's alone.

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THE HAY FAMILY

Although this thesis is concerned with more general aspects of the history of Shetland it is both necessary and worthwhile to give a short "potted history" of the Hay family. This is not only because the main sources used are their family records but also for their importance in the period of study. The following concentrates on the main figure in each of the three generations: William, James, and William Hay. The Hays were in many ways a typical middle class mercantile family of the time, in terms of business organisation, education, employment (for those outside the business), and marriage patterns. An alternative thesis could have been based around these aspects of their history.

WILLIAM HAY: 1723-1804

The first mention of the Hay family in Shetland is in the early eighteenth century, when two brothers were ministers in the north isles. These were Thomas Hay, minister for Mid and South Yell (1717 to 1745), and John Hay, minister of Unst (1720 to ?). In 1737 two of their nephews, William and Thomas Hay came to Shetland. This is in a long tradition of Scots coming to Shetland first as ministers then other members of their family following. The boy's father (brother of the two ministers), James Hay, had been a farmer in Netherinch near Kilsyth, he died in 1726. Their mother remarried and the two boys had a "Dickensian" relationship with their step-father. On William reaching the age of fourteen they left (The contract of marriage had stipulated that the boys had to be educated until fourteen).

William went to stay with his uncle Thomas in Yell.

His uncle's position allowed William to enter into Shetland society and he was soon involved in mercantile activities in mid-Yell. Then in 1743, again helped by his uncle, he received the tack some land in Turhoull (Unst). He was to spend most of the rest of his life as a tacksman and general merchant and trader, and as such was typical of many of the middle rank in eighteenth century Shetland, although William perhaps was a bit more ambitious than most, a character trait that his son was to share. After Turhoull he had the tack of part of the Windhouse estate in north and mid-Yell, 1751 to 1754, followed by the tack of West-sandwick (Yell), 1754 to 1761. Then he had the tack of Nicolson of Lochend's lands in Papa Stour, 1761 to 1774/5 after which he returned to Westsandwick where he died in 1804.

In Shetland in the eighteenth century for a tacksman to pay his duties to the laird required him to be involved in all aspects of fish curing and trade. The rents rarely covered the amount of the tack, and the tenants paid their rents in produce; fish, fish oil, and butter. It was through the trading in these and the other produce of the islands that the tacksman made his money; in this Hay was no different from any other. We know that in the 1750's William Hay was dealing directly with Hamburg, even going there himself, and in the 1760's with William Bruce dealing with London merchants. But Hay was more ambitious than to carry on in this manner. While in Papa Stour he was interested in developing the linen industry to the extent of apprenticing his son to the trade (see chpt.4). Also while in Papa the inherent problem of the tacksman system became apparent;

the only way to make any money was to squeeze the tenantry for all their worth. This reached such a point in Papa Stour that the tenants went to Nicolson to have Hay removed. Hay left in fear of his life, accusing the tenants of attempting to murder him.

In 1748, William married Margaret Neven, daughter of Charles Neven of Windhouse, bringing Hay into the social world of the Shetland gentry. He however had a stormy relationship with his in-laws, and brought proceedings against the estate on the death of his wife's father. Through the marriage the Hay family first became connected with the Ogilvys. Charlotte Neven, Margaret's sister married Thomas Ogilvy. For the next two generations the families were to be connected in business.

JAMES HAY: 1750-1831

James Hay is probably the single most important figure in the history of the economic development of Shetland in the period of study, his importance being not so much what he actually achieved, which was much, but in what he attempted to achieve, and the foundations that he laid for his son, William, to build on. Much of the content of this thesis is concerned with the economic activities of James, and do not need to be elaborated here, but a general outline will set the context for the later content. James was determined and obstinate in character, common enough in Shetland, but he also suffered throughout the most of his life from a mental disorder, "my disease", as he referred to it. At times in his life this would almost cripple him preventing him from running his business concerns, and was often

brought on by commercial failures.

The early career of James did not take the form of his father. Instead of becoming a petty tacksman, James, on completion of his education, was apprenticed to the linen trade. On his return to Shetland he managed the ill-fated linen works at Catfirth, which failed in 1777. After this he turned to mercantile activities, basing himself in Lerwick. While at Catfirth he had been involved in trade to a small scale, and now turned to it with a vengeance. He soon became the single largest buyer of fish in the islands, buying not only on orders from southern merchant houses, but also on his own behalf. He was also an important smuggler, a highly profitable if risky activity. Within a few years he was in a position to invest his wealth in an attempt to establish a herring fishery in the islands. It was at this point that he came into greatest conflict with the social system created by the lairds. James was a vocal opponent of the Zetland Method, and never gave up the attempt to establish both a herring and cod fishery that would break the monopoly of the lairds.

After the failure of this he returned to smuggling and the fish trade, investing his money first in property in Lerwick, then land, and also ships. His health was never too good, and from 1804 he was increasingly helped by his eldest son William. It is safe to say that from the 1780's onwards he was the most innovative figure in the Shetland economy; his experiments made the developments of the 1820's and 1830's possible. Besides William it is worth mentioning another two of James' sons, Andrew and James. Andrew after being in a Liverpool merchant house

which failed, became an important merchant in Singapore, returning to Shetland towards the end of his life. James was involved in the timber trade in New Brunswick, and later a merchant in New York.

WILLIAM HAY:1787-1858

William is perhaps the best known of the Hays, mainly because of his involvement in Hay & Ogilvy, and its successor Hay & Co. (is still an important company in the Islands today). He benefited from the wealth accumulated by his father, which enabled him to be well educated and enter Shetland society on a more equal footing to the lairds. Indeed he was to become an important landowner in his own right. He was educated at Kings College Aberdeen, followed by a mercantile apprenticeship in Hull, before returning home to aid his father.

William, first in partnership with his father then on his own account, built up the family fortune. There were significant developments in the herring and cod fisheries, and in the supplying of labour for the Greenland whaling industry, but the greatest achievements was in the establishment of the Shetland Bank (1820) and with the same partners the forming of Hay & Ogilvy (1821). This placed the Hay family at the centre of the economic developments of the 1820's and 1830's, the company being the single largest operator of ships in both fisheries, and curers, and having a near monopoly of the trade of the islands.

The personal fortune of the family grew from this successful economic activity. There was substantial investments in land;

the creation of an estate at Laxfirth (Tingwall), with the laying out of a farm and general encouragement of farming techniques among the tenants. William due to his social and economic standing was member of all the important political and social committees, his name alongside that of the most important of the lairds. William did not have the same intensity of dislike of the Zetland Method which possessed his father, and he was willing and able to carry on his business activities within the social environment that existed in Shetland. It is possible that this was due to William never actually wishing to be a businessman, but he was forced into it by the conventions of the time. William was close to his father, and James, as a caring parent wished his sons to be established in mercantile careers.

When Hay & Ogilvy went bankrupt in 1842, William had to struggle to regain the family's social and economic position. It embittered him against Charles Ogilvy, whom he blamed for the company's misfortune. But working through the name of his son Charles (William was a bankrupt and could not use his own name in business), and with substantial help from family and friends (not all given willingly) much of the property was bought back and the firm of Hay & Co. established. This was not to be the innovative company which its predecessor had been.

Over the generations the Hay family had become linked with several other important families in Shetland through marriage. The original William Hay had married into the Neven of Windhouse family. There were also close connections with the Umphrey family; James Hay married Ann Umphrey, and William's daughter married Andrew Umphrey. William's sister married Arthur Gifford

of Busta, and the Hays had a close relationship with the Giffords. The most important connection was with the Ogilvy family; there had been links from the day of the first William Hay, which were cemented with the marriage of the second William to Margaret Ogilvy in 1811. The partners of the Shetland Bank and of Hay & Ogilvy were her father, Charles snr., two brothers, John and Charles jnr.

The social background and social relationships that the Hays were involved in were typical of a mercantile family of their social standing. Similarly their economic activity was typical of a general merchant's business, although the range was greater than was usual. Where they are untypical is in the degree that they influenced the life and history of one community. If the terms "enterprise" or "innovative" mean anything then they must apply to the Hays during this period.

NOTES and REFERENCES

1. Braudel, F. *The Mediterranean*, Vol.1 London: Collins 1972 p.154
2. Burke, P. *Sociology and History*. London: Allen and Unwin 1980 p.13
3. For a lucid recent article on the relationship between sociology and history see Underhill, P.K. 'History, Sociology, and Medicine - A Polemical View of their Relationship', *Critical Social Research* Vol.No.1 Autumn 1984
He provides an excellent quotation from Giddens which reveals that the traditional methodological differences between the disciplines are false:
"with the recovery of temporality as integral to social theory: history and sociology become methodologically indistinguishable".
Underhill, P.K. *ibid.* p.9.
4. Burke, P. (1980) *op.cit.* Personal communication with R.J. Morris.
5. Abrams, P. *Historical Sociology*. Shepton Mallet: Open Books 1982, p.ix.
6. This was how I remembered that period, and as such is as much a statement on myself as much as on the actual quality of the material. There was of course some excellent work published through the decade, for example those by Goodlad and Smith, also some very valuable reprints. However the impression was of generally populist writings which filled the shelves of the local bookshops. The most popular writer in Shetland at this time, and remains so today is J.R. Nicolson, who has produced numerous books on a whole range of topics concerning Shetland of varying quality. His works to date are:
Shetland and Oil. London: Luscombe 1975
Lerwick Harbour. Lerwick: Lerwick harbour Trust 1977
Traditional Life in Shetland. London: Robert Hale 1978
Shetland's Fishing Vessels. Lerwick: Shetland Times 1981
Shetland Folklore. London: Robert Hale 1981
Hay & Company: Merchants in Shetland. Lerwick: Hay & Co. 1984
 So far the eighties have seen the publication of some very fine works, Smith's and Shaw's being among the finest, and some good edited collections of essays, in particular, those edited by Withrington, and Crawford.
7. In the EEC referendum only Shetland and the Western Isles voted no. The voting in Shetland was: Yes 2,815, No 3,631. In the referendum on Scottish devolution Shetland recorded the highest percentage no vote in the country. The results were: Yes 2,020 (27%), No 5,466 (73%). The Shetland Movement was founded in 1977
8. Some of the better known works are:
 Frank, A.G. *Capitalism and Underdevelopment in Latin America*. Harmondsworth: Penguin 1971 (a) *Sociology of Development and Underdevelopment of Sociology*. Pluto Press 1971 (b)
Dependent Accumulation and Underdevelopment. New York: Monthly Review Press 1974.

8. cont.

Sweezy, P. 'The Transition from Feudalism to Capitalism' in Hilton, R. (ed.) *The Transition from Feudalism to Capitalism*. London: Verso 1978. (Originally *Science and Society* 14 1950).
Wallerstein, I. *The Modern World System I*. New York: Academic Press 1974. *The Capitalist World-Economy*. Cambridge: C.U.P. 1979.

The Modern World System II. New York: Academic Press 1980.

Historical Capitalism. London: Verso 1983.

9. Carter, I. 'The Highlands of Scotland as an Underdeveloped Region' in De Kadt, E. and Williams, G. (eds.) *Sociology and Development*. London: Tavistock 1974.

Carter relies heavily on Malcolm Gray's article 'The Kelp Industry in the Highlands and Islands', *Economic History Review* 2nd series Vol.4 No.2 1951.

10. Their works include:

Brenner, R. 'Agrarian class structure and economic development in pre-industrial Europe', *Past and Present* 70 1976.

'The origins of capitalist development: a critique of neo-Smithian Marxism', *New Left Review* 104 1977.

Dobb, M. *Studies in the development of capitalism*. London: R.K.P. revised edition 1963 (originally published 1946).

'Reply' [to Sweezy] in Hilton, R. (ed.) (1978) *op.cit.*

Hilton, R. 'Introduction' and 'A Comment' in Hilton, R. (ed.) (1978) *op.cit.*

There are several commentaries on this ever-growing debate. Three recent works which look at this debate from different angles are:

Holton, R.J. *The Transition from Feudalism to Capitalism*.

London: Macmillan 1985. See chapter 3 (his earlier article deals only with marxist writings - 'Marxist theories of social change and the transition from feudalism to capitalism', *Theory and Society* Vol.10 No.6 1981).

Kaye, H.J. *The British Marxist Historians*. Cambridge: Polity Press 1984. See Chapters 2 and 3.

McLennan, G. *Marxism and the Methodologies of History*.

London: Verso 1981. See pp.145-151.

11. Smout, T.C. 'Scotland and England: is dependency a symptom or a cause of underdevelopment.' *Review* Vol.III No.4 1980

12. Althusser, L. & Balibar, E. *Reading Capital*. London: NLB 1970

On the problem of dealing with a mode of production analysis Shaw writes:

"A word needs to be mentioned about the concept 'mode of production'. Although arguably the key notion within historical materialism, nowhere is it formulated with precision."

Shaw, W.H. *Marx's Theory of History*. London: Hutchison 1978 pp.31-32

As the present author perceives it the problem with the mode of production is that it is a Hegelian legacy within Marx's writings.

13. Chirot, D. & Hall, T.D. 'World-System Theory.' *Annual Review of Sociology*. Vol.8 1982

14. Works by Brian Smith include:
 - "Introduction" to reprint of Gifford, T. *An Historical Account of the Zetland Islands in the year 1733*. Sandwick: Thuleprint 1976
 - "Shetland Archives and Sources of Shetland History." *History Workshop*. vol.1 no.4 1977
 - "'Lairds' and 'Improvement' in Shetland in the Seventeenth and Eighteenth Centuries." in Devine, T. (ed) *Laird and Improvement in the Scotland of the Enlightenment*. Glasgow? 1979
 - "Shetland and the Napier Commission." *New Shetlander*. no.145 1983
 - "What is a Scattald? Rural Communities in Shetland 1400-1900." in Crawford, B. (ed) *Essays in Shetland History*. Lerwick: Shetland Times 1984
15. Smith, B. *Review of Shetland Life and Trade. 1550-1914 in The Shetland Times*
16. Baechler, J. *The Origins of Capitalism*. Oxford: Blackwell 1975
17. Smith, H.D. *Shetland Life and Trade. 1550-1914* Edinburgh: John Donald pp.288-289
18. *ibid* p.IX
19. Butterfield, H. *The Whig Interpretation of History*. London: G. Bell & Sons 1951 p.V
20. *ibid* p.35
21. Smith, H.D. *The Making of Modern Shetland*. Lerwick: Shetland Times 1977 p.20
22. *ibid* p.20
23. Smith, H.D. (1984) *op cit* p.91
24. *ibid* p.91
25. *ibid* p.92
26. Smith, H.D. (1977) *op cit* p.35
27. Details of land ownership from:
 - SA Zetland County Council Collection CO 1/3/1
 - 'Rental of all the merks of land in Shetland. 1828'
28. Smith, H.D. (1977) *op cit* pp.27, 35
29. Wills, J. *Of Laird and Tenant*. Ph.D. Edinburgh 1975 p.157
30. Smith, H.D. (1977) *op cit* p.35
31. *ibid* p.36
32. Coleman writes that:
 - "...the joys of defining "entrepreneurial" could fill a whole volume."
 - quoted in Holmes, G. & Ruff, H. 'The Perils of Entrepreneurial History' *Business History* Vol.XVII No.1 1975 p.28
 - The very title of the article is warning enough! Payne would regard Coleman as being somewhat optimistic:
 - "...it is a peculiarity of this branch of economic history that it has been plagued with almost as many essays discussing the function of the entrepreneur as detailed case studies of his actual role at different periods at time."
 - Payne, P.L. *British Entrepreneurship in the Nineteenth Century*. London: Macmillan 1974 p.13

33. For the role of landowners in Scottish development see:
Smout, T.C. 'Scottish Landowners and Economic Growth.
1650-1850' *Scottish Journal of Political Economy* Vol.II 1964
34. Barth, F. 'Introduction' in Barth, F. (ed) *The Role of the
Entrepreneur in Social Change in Northern Norway* Bergen:
Scandinavian University Books 1967
Long, N. *An Introduction to the Sociology of Rural
Development* London: Tavistock 1977 chpt.5
35. Baechler, J. (1975) *op cit* chpt.8
36. Smith, H.D. (1984) *op cit* p.287
37. *ibid* p.IX
38. The following has not been referenced since it is a summary
of events that are covered in much greater detail in the
text, it is only to present some information so that the
reader is able to understand more fully why the Hays are
important and worthy of study.

CHAPTER 2

THE ZETLAND METHOD: THE SOCIAL ORGANISATION OF SHETLAND SOCIETY IN THE EIGHTEENTH CENTURY

Cod, ling and torsk furnish cargoes to ...
adventurers. I wish I could speak with the
same satisfaction of this as of the free
fishing of the herring; but in these distant
islands the hand of oppression reigns
uncontrolled. The poor vassals, (in defiance
of laws still kept in bondage) are compelled
to slave, and hazard their lives in the
capture to deliver their fish to their lords
for a trifling sum, who sell them to
adventurers from different parts of a high
price.¹

Your Committee think themselves bound to
observe, that no particular Reflection can, in
their Opinion, justly be cast upon the Land
Owners of Shetland; as from every Thing that
has appeared to your Committee, their conduct
towards their Fishers and Tenants in such as
naturally arises from the actual State of the
Islands, and is probably such as their present
Situation who ever had the property, would
unavoidably require.²

In the late eighteenth century the Shetland landlords,
convinced by their own re-writing and re-interpretation of
Shetland's history, argued that the relationship between
themselves and their tenants was a natural one, a relationship
which had organically risen from the necessary requirements of
living in an isolated group of islands. At the centre of their
argument was the mutual dependence between laird and tenant. A
sceptic may say that this was a desperate attempt to rationalise
the social organisation of production at a time when it was
coming under extensive criticism (dealt with in chpt.4 below).
Such an explanation takes no account of the history of the

establishment and development of the "Zetland Method", as a social system, around which the whole of Shetland society was based. This shows at what an early stage in the modern history of Shetland (and of the modern world economy) its social organisation was geared to production for external markets, that it was effectively following a Ricardian policy of comparative advantage. This chapter sets out to clarify the historical background to the introduction of the system of "Fishing Tenures", and their development in the eighteenth century. To do this it will be necessary to go back before the eighteenth century, in particular to deal with the important role played by German merchants in Shetland's historical development. Before this a description of the general nature of the "Zetland Method", and an explanation of the importance of landholding in Shetland will help to clarify the later discussion.

THE ZETLAND METHOD

The method of social organisation of Shetland was that of "Fishing Tenures", a system of land holding in which the tenant fished for his laird. This was more than rent being paid in produce (part of rents were paid in produce but as we shall see below, this was for particular forms of taxes), for the rent was not equated with a certain amount of a particular product. Rents were given monetary values as were the fish caught by the tenant, and it was these values that were related. The desire was not for rents to be paid in money, since the laird made fishing a compulsory part of the leasing of land and could have set an "economic" money rent (although we shall see that this is

a meaningless term as far as Shetland was concerned and given the economic position of the Islands a financial impossibility), but for the laird to involve himself in the trading of the fish, since it was in the trading of the fish that the laird made his money.

The actual operation of the system was quite straight forward, at least in the abstract. The tenant had to give to his laird the product of his summer fishing. For this he was credited a nominal sum for each fish. This was not a market price, or even a mutually agreed price, but one set by "tradition". It was a set figure that had been used for a long period of time, and it had the authority of history. This was nominal in as much the tenant/fisher did not actually receive this figure but it was entered into his account with his laird. Against these credits were debited the various advances made by the laird to the tenant. For the fishing these included the cost of the boat (shared between the crew of four or six men), the lines, hooks etc. Also included were the advances of food for the tenant's family; at this time holdings were too small to produce enough to feed the family for the whole year. At the end of the season the ledgers were balanced, the traditional date for settling all debts, payment of rents etc., being Martinmas (11th of November). Since much of the tenant's debt was in relatively expensive capital goods, the boat and all its gear, this could take many years to pay off. This was certainly a relationship of interdependence but not one between equals. The

laird relied on the produce of his tenants and the tenant on the credits and advances of the laird. The power and authority of the laird came from his ownership of land; from the possession of land, all social, economic and political power flowed.

This system had, like all systems, an internal logic. In this case it was for the lairds to increase the number of tenants. Since the source of wealth for the laird was the product of the tenant's labour, it was in the laird's interest to increase that product as much as possible. Given the economic and technological limitations of this form of production (discussed in the next chapter), the only way to increase the amount of product was by increasing the number of tenants. Since Shetland had never had the clan system, there was no basis for emotional ties to the laird based on kinship (real or imaginary) and the best way to make sure that the tenants would continue to fish was for them to be tied to the laird through debt, debt which had to be paid off in products. The laird was willing to extend credit and advances. This, plus the ecological factors of poor harvests and low catches, relentlessly drove the tenant into a position of debt-bondage. The barrier to this was the amount of land available, which was restricted by both physical limitation of being an island and the general poor quality of agricultural land (most land was of hill land fit only for grazing animals). In time, with a rising population, this led to the sub-division of existing holdings, making them smaller and therefore more marginal for the production of food for the

increasing population. At the beginning of the eighteenth century this potential "Malthusian crisis" was either not recognised or was deliberately rejected.

This form of social organisation could only work in a rural society where the peasantry required land and there were no alternatives open to them. This was the case in Shetland. Until the late eighteenth century there were few alternative sources of employment, and those were of a restricted and limited nature such as the Royal Navy in time of war. There was no urban centre of any size; Lerwick was little more than a small village. Nor was there any manufacturing in the Islands; there was an unsuccessful attempt to establish a linen industry in the 1770's. Neither did emigration appear to be common (there are records of only one large emigration, when some 200-300 left in 1774³), either because of emotional ties or due to the active discouragement of the lairds, who could use the local courts to prevent a tenant who was in debt from leaving. All the Shetland lairds enforced the system, showing at least one area of unity (it was not until the 1780's that the first laird "freed" his tenants). In the end it needs to be recognised that Shetlanders were farmers first and foremost, that their desire was for land, and that they lived in a rural society where an individual's social position came from their relationship to land. The lairds' monopoly on the supply of land gave them a source of power over the people. Shetland was therefore a landed society with a social structure based on the ownership of land, a localised society that operated within the wider landed

society of Scotland/Britain where power and privilege was in the hands of the "Landed Interest". Land was at the centre of these societies. Therefore some discussion of the peculiarities of land holding and organisation is required, since this will make the later elaboration of the establishment and development of the "Zetland Method" somewhat clearer.

LAND IN SHETLAND SOCIETY

There is only room here to give an outline of Shetland's complex history of landholding. Where this is seen as being more relevant for understanding the form that the Shetland society was to take in the eighteenth century, this has been elaborated. The distinctiveness of Shetland landholding comes from the relationship between its two great historical influences, Scandinavia and Scotland. A further complication is that of the "Crown Estate", which held the privileges of both the Scandinavian and Scottish crowns concerning the collecting of taxes, and was one of the largest estates in the Islands, giving it great social and economic importance.

Shetland was under Scandinavian rule until 1469 and under Norwegian law until 1611. The Norse form of landholding was called *udal*, originally a form of freehold. Those who held their land under this system were called *udallers*. Although they were freeholders they had to pay a series of taxes to the crown, in particular *scat* a form of land tax similar to *cess*. This was paid in produce: butter, fish oil, and *wadmél* (a rough cloth), at fixed rates, based on traditional weights. The *udal* inheritance was different from the Scottish primogeniture system.

The land and moveable possessions, was divided between all the children, female as well as male, although not in equal shares.

Throughout the sixteenth and seventeenth centuries these udallers came under increasing social and economic pressures, and were forced to become tenants to landlords, losing their traditional rights as freeholders. For a number of reasons they lost their freedom, the most significant of these being increasing indebtedness. Their method of passing on land led to greater pressure on land resources and the probable decline in the average size of holdings. However, without accurate details on population and farm sizes this must remain somewhat speculative. We are on firmer ground concerning the general rise in the burden of taxes imposed upon the Islanders. There was the introduction of new taxes. Cess was introduced at the end of the sixteenth century, meaning that the Shetlanders paid two land taxes on the same land.⁴ The weights in which the taxes were paid were increased. This was the lispund which was originally 12 pounds. During the reign of the Stewarts this was increased, and continued to do so even after Patrick Stewart's execution in 1611: by 1659 it was 28 pounds.⁵ These factors combined with fines, the arbitrary imposition of new payments, and the often ruthless seizing of land, made the position of the udallers increasingly marginal. It has been argued by some, that by the late seventeenth century, the udallers as a distinct social group had virtually died out and they had become tenants.⁶ Although in some areas it does seem that a few survived as freeholders, even in the nineteenth century there were a number of petty lairds, owning a few acres, who possibly could trace their

ownership of the land to an udal holding several centuries earlier. Therefore the basic social structure of tenant and laird had been created by this time.

There is a distinction between udal tenure and udal land. It was the former that declined; the latter term continued to be used. Most of the land in Shetland was termed udal, even up to the nineteenth century. This merely referred to its historical origins and not to its legal form of tenancy.

With the increasing influence of Scotland after 1469, Shetland society took on more and more of the characteristics of Scottish landed society, which included the feudal form of landholding. This refers to the legal definition of feudal landholding, the payment of feu duties, and not to any specific social relations i.e. it referred to Feuferme and not to Wardholding. In 1592, Earl Patrick Stewart had attempted to introduce feudal holding of land as a way of increasing his personal income, feu duties being paid to the Earl of Zetland.⁷ However, it was not until the mid-seventeenth century that feu-charters become common, when they were introduced by the then Earl of Zetland, the Earl of Morton. Feu charters had one great advantage for landowners: they were a legal document of ownership which could be used in any dispute over land. Udal tenure had no written documentation to support it and, as such, was more difficult to defend in disputes, and disputes over land ownership appear to be endemic to Shetland society. However, the high cost of the charters and the annual feu duties seems to have been a cause of some of the rise in the debts of many lairds in the

seventeenth century. In Shetland feudal tenure was never as advanced as it was in Orkney, and was always secondary to udal land.

The other important feature of the Shetland landholding system was the "Crown Estate". This had originally been land in the Islands (including Orkney) which had belonged to the Norwegian and Danish crown and to the Bishopric of Orkney. On the passing of the Isles to the Scotland, these lands became the property of the Scottish crown, which gave the estate as a privilege (in reality it was in return for money given to the crown which, like all monarchies suffered from shortage of finance), and along with it the title of the Earl of Zetland. The estate had rights over the receiving of certain taxes, scat and feu duties, as well as the rents and produce of the estate's own tenants. In the seventeenth century the estate was the single largest in the islands and whoever possessed it had immense influence over the social and economic character of the Islands. The crown estate (after the demise of the Stewarts) was normally run by a chamberlain, usually one of the local lairds. He supervised the estate collecting rents, dues etc., from the various factors and tacksmen who carried out the day-to-day running of the scattered estate. The estate was open to exploitation by the tacksmen and factors who lined their own pockets, and to neighbouring lairds who encroached on the earl's land.

The most famous (or infamous) Earls were the Stewart's; Patrick and Robert, who through their own avarice did much to change the social structure of the islands. For most of the

seventeenth century the estate was held by the Morton family, who had received it in return for £30,000 pledged to the royal family in 1633. In 1767 they sold it to Sir Laurance Dundas of Kerse⁹ for £63,000. Under the Mortons the estate was run by a local steward, normally one of the major landlords. To the Earls, Shetland was little more than an extra source of income and as long as they received their payments they did not concern themselves with the day to day affairs of the estate.

Shetland also had a distinctive form of measurement and division of land. Land was measured in **merks** which referred to both the quantity and quality of the land, and had its origins in the Norse land tax values. Basically the greater the quality of the land, then the smaller the area. Each merk was divided into 8 **ures**. A rough guide would be that a merk was, on average, slightly less than an acre. Each merk was commonly referred to as so many **pennies** the merk, normally 6 or 9, which was related to the quality of the land and again had its origin in the Norse land taxes, originally the more the pennies the greater the tax paid.

The standard larger division of land was into townships, each with its own enclosing hill dykes. Within each township there was at least one **room**, which consisted of a group of farms sharing land within the room's dykes. The farm, a term which applied to the tenant's land rather than a distinct unit, was held in run-rig, fragmented strips, with the other tenants' land in the room. However, the vast majority of land in Shetland was hill land, of little or no agricultural use beyond that of the



grazing of animals. This is usually called **scattald** although, more correctly, a **scattald** contained both hill land (**hoga land**) and township land. The **scattald** is typically regarded as common land, but this applies to common rights of grazing, cutting of peats etc. rather than to common ownership of the land.¹⁰ Shetland did not experience the enclosure and division of land until well into the nineteenth century, and this had only been partially carried out when the Napier Commission ossified land tenure.

THE RISE OF THE LAIRDS AND THE CRISIS OF THE SEVENTEENTH CENTURY

The shift from Shetland being a society of freeholders to one of tenants under a laird is directly related to the rising influence of Scotland. The rise to power in Shetland of landowners of Scottish origin was a long-term process but one which changed the social structure and organisation of the Islands and it was a system which itself was in a position of financial crisis by the late seventeenth century. These events go some way towards explaining the changes that were brought about at the turn of the eighteenth century: the establishment of the "Zetland Method", and they also show a greater continuity in Shetland history than that which is normally assumed.

Although the Earls of Orkney were Scottish by the thirteenth century, the Scots were slower to move into Shetland. The St Clair family (Sinclair) originally from Caithness, had property in Shetland as early as early as 1279, but generally the Scots were "few and far between" before the 1500's.¹¹ From then

on there was a greater influx and by the mid seventeenth century it has been estimated that a third of the population was either of Scottish origin or married into Scottish families.¹² This was most evident in the church where of all the clergy during the sixteenth century,¹³ only one was a local, the rest being Scots. The clergy brought with them their relatives, a practice that was common in Shetland at least into the eighteenth century. The Hays originally came as ministers to the northern isles. They later provided a home for their nephews and access to positions within Shetland's economy and society.

With them the Scots brought their own legal system and methods of landholding (described above). They also actively undermined the position of the udallers, through raising taxes or imposing fines or even seizing land through fraud or force.¹⁴ Over this period of time estates were built up throughout the islands, but because of their origin as udal land and the piecemeal way in which they were collected, they were made up of fragmented small holdings, not large consolidated estates. The result was scattered and unsystematic estates. It was common for rooms to have multiple owners, and even individual tenants paying rent to more than one laird. This can be seen through the transactions in land in the seventeenth century. Almost all of these were for small holdings: between 1623 and 1629, 55% were under 5 merks, and 41% were for 5 to 50 merks. Between 1660 and 1669, 33% were under 5 merks, and 55% were for 5 to 50 merks. And between 1690 and 1699, 27% were for under 5 merks, and 66%¹⁵ were for 5 to 50 merks.

By the mid-seventeenth century some substantial estates had been built up, besides that of the Crown Estate (see above). The Bruce family had an estate of 1,569 merks worth £3,000 (Scots) a year, but this was divided in 1665 when Andrew Bruce granted his son Hector 500 merks. Other major lairds included: James Mowat of Ollaberry with over 800 merks, Thomas Cheyne of Vaila with over 600 merks, and John Sinclair of Quendale with some 500 merks.¹⁶ Besides these there were a substantial number of small landowners.

The lairds had various sources of income, the most direct being that of their rents (scat and feu duties were paid to the Crown Estate). In the seventeenth century there was a trend towards changing parts of the rent into money rather than being paid in kind. Besides the rent the other payment was **grassums**. Originally a sum paid on the renewing of a lease, it had become an annual burden, and was paid in cash. Other burdens that had been converted into money payments were: **wattle and sheep & ox money**, both were one shilling scots. Shaw gives some examples of rents and how they were calculated in accordance with the quality as well as quantity of the land and this gives us an idea of the complexity of the system, and as such open to abuse by those who impose the payments. The rent of one merk rated at six pennies the merk, would pay one third of a lispund of butter and two cuttels of wadmel (or 4 shillings scots per cuttel), and 8 shillings grassums. Land at twelve pennies the merk would pay double this and the 8 shillings grassums. Butter was the single largest source of income and by 1680 a lispund was valued at 58 shillings scots.¹⁷

This growth of rental burdens transformed from payments in kind to that of cash required the tenants to have a source of money income for their produce. This was possible through the trade the Shetlanders carried out with the Dutch herring fishers and the itinerant German merchants. The Germans played a more complex and significant role than the Dutch, and are dealt with in greater detail below.

The herring fleet of the Dutch (commonly called "Hollanders" by the Shetlanders) would gather in Bressay Sound in mid-June for the beginning of the season on the 24th. There developed a strong tradition of commerce between them and the locals. The trade appears to have been directly between the fishers and the locals with little, if any, participation by the lairds. The Shetlanders would provide: fresh food, woollen stockings etc., as well as more illicit "entertainments". In return the Hollanders would barter with tobacco or gin, but they mainly paid in cash. These markets were often riotous affairs, and in 1625 the Sheriff principal in Scalloway ordered Lerwick to be burned since the town had become a "den of vice, with prostitution and drunkenness

18
rife". The international conflicts in the late seventeenth century led to the decline of the Dutch herring fishery, the most spectacular being the burning of the herring fleet in Bressay Sound by the French in 1703, with the loss of over 100 busses. This decline was recognised by contemporaries as leading to a sharp reduction in the standard of living among the Shetland peasantry:

These Dutchmen used formerly to buy a considerable quantity of coarse stockings from the country people, for ready money, at a tolerable good price, by which a good deal of foreign money was annually imported, which enabled the poor inhabitants to pay the land rent, and to purchase the necessaries of life; but for several years past that trade has failed, few or none of these bussus coming in, and those that come, if they buy a few stockings, it is at a very low price, whereby the country people are become exceeding poor, and unable to pay the land rent.¹⁹

This shows the way in which the changing structure of international commerce has knock on effects in other economies. In Shetland the decline of a money economy put pressure on the existing organisation of landholding and would have made direct labour by tenants a more attractive prospect.

It would be difficult to under-estimate the importance of the trade with the German merchants for the history of Shetland. It was more than just commercial activity and it is worthwhile going into some detail on the organisation, structure and general importance of this relationship. In short this trade was instrumental in forming Shetland's position in the international division of labour, and for its specialisation in the production of stockfish (dealt with in more detail in the next chpt.), and for the creation of its social organisation of production. At the height of their influence the Hanseatic merchants were the great trading force in Europe and provide the link between the medieval economy and the modern economy. Shetland then was integrated into the modern world-economy virtually from its very birth.

To understand future developments it is necessary to give some details on the historical development of Shetland's trade. The direct trade was mainly carried out by merchants from the Hanseatic trading cities of Hamburg and Bremen. Merchants from the league had first come into contact with the produce of Shetland in their trade with Norway, which had become open to the Hanseatic League in the thirteenth century, they were eventually able to dominate all Norwegian trade through their merchant "factory" or "Kontor" in Bergen. This was controlled by merchants from Lübeck. The direct trade began at a time of crisis in the League, there was increased competition from the Dutch over the herring and Baltic trade. The League was splitting into an eastern and a western division with Lübeck and Hamburg as the most important cities respectively. Lübeck was attempting to control the profitable stockfish trade centred on Bergen through its control of the Kontor there. The western cities therefore became involved in direct trading. This explains why it was the case that direct trading with the islands²⁰ was illegal in the fifteenth and sixteenth centuries.

The first record of a German merchant trading in the isles is in 1415, but it was not until the mid-sixteenth century that they arrived annually and in significant numbers. By this time the trade had taken on its "classical" form. The merchants would sail from their home ports in the spring and stay in the islands for the summer months. They traded in the general produce of the country, but of greatest importance was the fish that they bought from the locals and which they cured themselves (this is dealt with in the following chpt.). They would then

return home before the winter storms, although it was known for some to remain over the winter, sending the ship back with the produce. Even at this early time the northern part of the Isles were better served by the merchants and the fish from there was preferred.²¹

For nearly two hundred years the German merchants carried on external trade with the islands. Over this long period there formed an increasingly strong relationship of mutual dependence, although probably more to the advantage of the merchants than to the Shetlanders. The shift in relative prices suggest that these grew faster for grain than they did for fish.²² Through their relationship with the Shetland tenantry the merchants integrated the production of the islands into the demands of the north European markets for stockfish. Thus the livelihood of the typical Shetlander became increasingly dependent on favourable market conditions. However at this time the tenant remained in control of the means of production, but the merchant certainly organised the trade and did the curing of the fish etc., but had no direct control over the producer.

As far as the lairds were concerned they benefitted in several ways: their tenants were able to get money with which to pay the money part of their rents; the lairds were able to trade the produce of their rents with the Hansa merchants, over 400 barrels of butter and 250 of oil being exported annually towards the end of the seventeenth century.²³ They also received significant amounts of money from the merchants in payment for the right to use the stony beaches necessary for the curing and

drying of the fish, and for building their trading booths. Some lairds charged for the right to trade with their tenants. Others would built the stone booths since it was possible to recover the cost in three years from the high rents they charged.²⁴ In the mid-seventeenth century the merchants paid some £800 scots annually to the Earl of Morton. By the end of the seventeenth century the lairds were imposing greater financial burdens upon the merchants, increasing their charges for booths, beaches and for allowing them to trade with the tenants. This was partly due to the greed of the lairds and partly to their need for higher income to pay for their less than frugal lifestyles, and partly to make up for declining rents from their tenants and for increasing advances and credits to them in the dearths of the 1790's. It was also due to the problem of prices. During the inflation of the sixteenth and seventeenth centuries the price of grain had risen faster than the price of fish thus worsening the relative position of the tenants and lairds to that of the merchants.²⁵

By the late seventeenth century some of the important Scottish lairds who had built up substantial estates over the previous 100/150 years were in serious financial trouble. The reasons are not entirely clear, and no one has been able to quantify them, but they would include the following. The famines of the 1630's and 1690's put great strain on their resources; in particular the dearths of 1693-1696 forced many lairds to make advances to their tenants, which the tenants were unable to pay back. The smallpox epidemic of 1700 led to many farms left ley. The costs of feu charters and their annual

duties certainly had their effect. The rise in the weights for the taxes to be paid to the Lordship Estate meant that more of the produce of their own estates was paid to the Earl. In some individual cases there were land losses from wind-blown sand encroaching on land. Some lairds had relied too heavily on the sale of the produce of their rents to the Germans. The disruption in the Dutch fishery made the situation worse. Whatever the reason, by the end of the century some of the oldest and well established families were in severe financial debt. James Mowat, who had an extensive estate in the north of the mainland was in serious debt, owing £23,000 (scots), along with the Bruces of Muness, the Cheynes of Vaila, and the Sinclairs of Brough (one of the oldest families of Scottish origin in the islands).²⁶ As these families went bankrupt in the 1690's/1700's, so a group of "new" men, who were more active in controlling the economy, bought up their estates. It is to these "new men" and the changes of the early eighteenth century that we now turn.

THE RISE OF THE MERCHANT LAIRDS?

The early eighteenth century saw a shift in the control of Shetland's trade, away from the the German merchants and into the hands of a commercially orientated set of local merchant/lairds. The term merchant-laird refers to the fact that the lairds carried out the functions of a merchant as well as that of a laird. The traditional explanation for this is that with the Union of Parliaments in 1707 the English navigation acts were enforced, and with the imposition of duties on imported salt in 1712 the German merchants were finally excluded from the Shetland

trade. Since the islands depended on the German trade this left a "vacuum" in the local economy such that the lairds were forced to take the place of the German merchants. This historical orthodoxy has its origins in the writings of Gifford in the 1730's:

when the high duty was laid upon foreign salt, and custom-house officers sent over, and a custom house settled at Lerwick, these foreigners could not enter, and so the inhabitants, and many of the heritors or landlords, were obliged to turn merchants and export the country products to foreign markets.²⁷

This has become the established "truth", and has been echoed by many writers on Shetland since. Although it is interesting that it was state intervention in the form of the customs that finally stopped the Germans, we do not know what role local traders played in getting the customs established in Lerwick. It is possible that they wanted the customs so as to exclude the Germans but this remains speculation. Still it is interesting that Gifford's statement on the customs have been forgotten in later versions of the events; for example Tudor in the 1880's:

On the imposition of the salt duties the Hanseatic traders were driven away and the proprietors compelled to turn fish curers themselves. ²⁸

or more recently by J.R. Nicolson, the great populariser of myths of Shetland history:

The activities of the Hanseatic merchants declined in the later decades of the seventeenth century and ceased altogether about 1712, the last straw being the Salt Tax introduced by the British Government to encourage British shipping. But the fishing industry did not decline since the landowners stepped in as merchants to fill the vacuum left by the traders of Hamburg and Bremen.²⁹

Onto this has been added a racial dimension, that these were Scottish lairds, who had, over a number of centuries, imposed themselves upon the native Shetlanders, who remained a racially separate and distinct people. This remains a popularly held belief in the Islands, reinforced by the large number of books published in the 1970's which confirmed local prejudice by the insipid re-writing of what was regarded as self evident "truths" rather than questioning those "truths" and doing any original research. This goes some way towards explaining the general anti-Scottish and anti-devolutionist feelings in the islands in the 1970's. Recent original research calls both of these positions into question. In this version some local lairds and merchants were more commercially aggressive and desired to replace the Germans by at least the end of the seventeenth century. The economic conditions at the end of the seventeenth and early eighteenth century gave them the chance to be more active in the economy and supplant the Germans.

There is contemporary support for this. The Rev.Brand writing in 1701, notes that a number of commercially minded men wished to take an active part in the fish trade, believing that they could organise the trade with less capital and greater profit since they lived on the island:

The Consideration of this great Gain that doth redund to the Trading Merchants, hath of late animated some Gentlemen and others in Zetland, to enter into a Society or Company for Trading in Fishes, that whereas Strangers make such a good hand with their Fishes, they may as well consolt their own Profite and Gain, by Promoting of that Trade, which tendeth so much to the Enriching of others, especially seeing they can do it with far less Trouble and Expence when here at home, where the Fishers are to be had, which when taken and prepared may be sent Abroad for Sale to Foreign Markets.³⁰

This mirrors the mercantile origin of the most active of the "new" men. These included James Mitchell, a merchant in Scalloway, Magnus Henderson who had had a mercantile education in Hamburg, and Arthur Nicolson a Lerwick merchant.³¹ and Thomas Gifford, who although a landowner of Scottish origin came from a family which had organised their succession by the traditional Shetland way not by the primogenitor of the Scots. They had strong mercantile links in the family, and had not been large landowners anyway.³² Brian Smith argues that:

The point about these gentlemen is that Shetlanders would not have regarded them as "Scottish Lairds" at all.³³

These men bought up the bankrupt estates of the "old" lairds (see above). Gifford bought substantial parts of the Muness estate and Mitchell bought parts of the Sinclair estate as well of that of the Cheynes.³⁴

It was these men who were able to take advantage of the situation in the early eighteenth century, by their conscious and deliberate action, and they took control of the organisation of the trade of the islands. Within a relatively short period of time they were dominating the islands socially, politically and economically, through the rapid enforcement of the "Zetland Method". There is however some disagreement over the actual dates when the "Zetland Method" was introduced. Wills argues that the lack of evidence of resistance to their introduction suggests that they were either not introduced or enforced until much later in the century:

Fishing tenures, if they existed at all, were not widely or rigorously enforced in the first half of the eighteenth century but developed in the late 1750's and early 1760's. (emphasis mine)³⁵

His argument rests on what he perceives as the general shortage of tenants in the early part of the century, a shortage due to the effects of two smallpox epidemics, in the 1720's and 1740's, and the dearths of the 1730's. It was the debts built up by the tenants in the 1730's and 1740's which allowed the lairds to make explicit the conditions of tenure, so that fishing was required to buy off their debt to the laird.³⁶

Wills appears to be historically incorrect in stating this, for the system of fishing tenures was established within a short period, probably within the decade after 1712. By 1718 Gifford could write that the landlords cured the fish of their own tenants.³⁷ In 1721 two lairds, Henderson of Gardie and Pitcairn of Muness had joined together and employed a factor to cure the fish caught by their tenants in Unst and Fetlar.³⁸ At the time of writing his "Historical Description" in the 1730's Gifford assumed that fishing tenures were general. In the 1740's Nicolson's tenants in Papa Stour paid most of their rents in fish (details below). John Campbell writing in the 1740's understood that fishing tenures were enforced and that the relationship between tenant and laird was oppressive, even tyrannical:

in the Summer, the men are obliged to go to Sea a fishing for Cod and Ling for the lord of the Manor...Compelling their tenants to go to sea for them...those Masters are so absolute as some Princes, for if these poor People do but murmur in the least of their Orders, they and their families are banished for ever out of their Territories.³⁹

The merchant-lairds had therefore established this system both quickly and without any visible dissent. It this lack of protest that has led to the opinion that it was not enforced until later in the century. As we shall see this system was

later to be described as a form of slavery. It becomes a problem to understand how it was able to be imposed so rapidly, and not take the view of Wills. The answer is that the "Zetland Method" was a development of the system of organisation that the Shetland fishers had been used to for generations in their dealings with the German merchants.

The Hansa merchants operated a system called the *ausreede* system, in which goods advanced to the fishers in one year was to be paid off in the following year in fish and other products.⁴⁰ They certainly used this system in Shetland. Details of its operation in Norway show similar consequences to that in Shetland. There the fishermen in the north, the *Nordfaher*, were tied to the Hanseatic merchants through extensive debts which they were unable to pay off and as such became⁴¹ dependent on them. As far as the tenants were concerned, there would have been little difference in their lives, at least initially, merely a change of personnel.

THE OPERATION OF THE ZETLAND METHOD

IN THE EIGHTEENTH CENTURY

There is much written about the operation of the "Zetland Method" and how it was reducing the tenants to debt etc., but none have actually given evidence from rentals on how the system actually did work "on the ground". Among the Hay papers is a rental account book for Nicolson of Lochend's tenants in Papa⁴² Stour for 1743 which clearly shows how the method did operate. This a very interesting historical document and is set out in some detail below. In the 1760's James Hay held the tack of

Nicolson's lands in Papa Stour, and this earlier record must have come into his hands at that time. Papa is a small island off the north-west coast of the mainland, and at this time it was an active part of the haaf fishing with a station for the far haaf.

In this rental book we have details for 29 tenants (and for the heirs of Olla Brown), with their names and details of their land and rent, debts and credits. There are two columns for each tenant; on the right are the tenant's debits which consist of: that year's rent, debts from the previous year, amount for cess, plus any incidentals. On the right is the tenant's credits; mainly fish but also oil, butter etc. From this we can get a general picture of the position of the tenants in relation to the laird (or as in this case the tacksman). This is given in table 1 below. What is of equal interest is the differences between the tenants and that is discussed after the table.

TABLE 1

DEBTS AND CREDITS NICOLSON'S TENANTS IN PAPA STOUR 1743
(in pounds Scots)

debit	credit	debts due by	debts due to
rent/cess	fish etc.	tenants	tenants
£302-7/4	£393-19/6	£396-8/4	£60-15/8

source: SA Hay of Hayfield
rent account 1743

For 1743 there was a healthy surplus in the tenants' favour of £91-12/2 (scots). However there were debts carried forward from 1742 of £422-15/6 to be paid off, and by the end of 1743 there were outstanding debts of £386-8/4 with some tenants owed a total of £60-15/8. By far the largest source of credit was

fish. There are details of 22 tenants fishing, with a total value of £276-17/6 (£272-12/8 for white fish and £4-4/10 for herrings). Other sources were: for oil £53-10/7; and for butter £16-11/4.

The table shows a slight fall in the general indebtedness with a fall of £26-7/1 over that of 1742. Of those for whom the figures are clear: 12 tenants reduced their debt; 6 increased their debts; 3 remained the same; 8 were owed money. Most of these debts were relatively small, but some were quite large (given the resources that the tenant had to pay off debt). Magnus Robertson owed £75-4/8, James Laurensen's debt was £69-3/- (both slightly up on 1742), Andrew Coutt's owed £33-9/7 (a fall), and Thomas Henry owed £31-17/1 (a rise). It would be difficult to see how these men could pay off such debts.

There were some tenants that did not have any real source to pay their debts. There were three women, only one of whom was stated as a widow, the Widow Halcrow, with 2 merks of land - she was credited with sums of money from various of the other tenants, probably a recipient of poor relief; Janet Dalzeil, with 1 merk of land, was only credited with 7 pairs of woollen stockings, total value £2-2/- scots. Barbara [?], with 1 merk, was credited with £1-16/- for a lispund of bere meal and £1 for some peats. Three tenants are credited with nothing, and for 2 others (including Olla Brown's heirs) only monetary value is given. This document makes the relationship between the "haaf" fishing and the holding of land quite explicit. The chance to trade in the produce of the tenants, in particular their fish, would have been the only one in which the tacksman could pay Nicolson the money for the tack, and likewise the only

way in which the tenants could pay off their rents and debts.

CRITICISM OF THE ZETLAND METHOD

So far we have set out in detail Shetland's society and economy in the eighteenth century. There remains one further aspect to cover in this chapter, that of the criticisms raised against the "Zetland Method". By the late eighteenth century the "Zetland Method" was recognised by many as a hindrance to both economic development and personal liberty. As such it came under increasing criticism. Much of this criticism was part of a wider debate on social/economic conditions in Scotland, and will be dealt with in this context. Since there is already some work in this field,⁴³ this chapter will concentrate on the original material from the research for the thesis, in particular the views of the merchants against that of the lairds. The most commonly discussed criticisms have been those raised by the church. Firstly, it is necessary to set the criticisms into the context of the social/political and economic debates of the close of the eighteenth century.

The late eighteenth century was a period of intense debate in Britain, and of particular concern in Scotland was the "Highland Question". Some saw the Highlands, which had only recently been "tamed and conquered", as a replacement for the recently lost American colonies. The Highlands were regarded as an undeveloped part of Britain; indeed they were viewed as a "colony" (dare one say an "internal colony") barely part of Scottish/British civilised society. Various tracts and books were written on how they could be developed to the advantage of

the nation as a whole. The most famous and influential of these was John Knox's "The View of the British Empire and Scotland", published in 1784; as Dunlop writes:

In this book he [Knox] set out to contrast the large sums of money expended on the colonies in America with the poor returns realised, and he suggested that the Highlands would respond more readily to development.⁴⁵

This was a view which had already been expressed by one of the major Shetland lairds, John Bruce of Sumburgh as early as 1781, in which Shetland was made the centre of a similar argument.⁴⁶

The common way in which these writers saw that the Highlands (and Shetland) could be developed was by expanding the fishing industry. The fishing industry in general, and the herring industry in particular, were seen as one of the most likely (and cost-effective) ways of increasing the wealth of the nation and improving the lot of the common people. This found political support and in 1785, a Parliamentary Committee was established to "inquire into the state of the British Fisheries".

Shetland was an area of specific interest and various individuals sent in information and reports on the islands to the committee. Some gave evidence at the committee's hearings in London, including James Hay in his position as a major merchant. Hay was also involved in a lengthy correspondence with one of the instigators of the committee, George Dempster of Dunnichen. This correspondence and the reports of the committee contain extensive details and criticisms of the Shetland lairds and their social organisation of production.

When dealing with Shetland the committee was in a politically delicate position. On the one hand to develop the

fishing industry, but on the other not to upset the lairds. Added to this is the complication that the social organisation of Shetland was now out of step with the rest of Britain. In 1784 Dempster wrote to Robert Hunter of Lunna stressing:

that he [Dempster] meant nothing inimical to the landed interest but he did feel that perhaps local custom was unfavourable to the wishes of the nation for improving and extending our fisheries.⁴⁷

Dempster recognised the political and economic strength of the lairds, and he diplomatically emphasised this position in a letter to James Hay in 1785:

Nothing can be juster than your Idea how this matter should be taken up and shall be taken up by me in treating publicly of the State of the Highlands & Isles. Not as an Oppression committed by the actual lairds and lords there, but as a system so ruinous to Industry and population, that it must be owing to their Humanity of the these Great Men, that there is a alive or a fish caught in that country. Were we to bring the Gentry on our Tops, we might make a noise, create such odium against them, draw down some upon ourselves, and certainly do no good to the poor people whom I most earnestly desire of reserving from their present thraldom. But this must be done by gentle and conciliatory and not by violent means.⁴⁸

The irony flows from his pen when writing on the Shetland lairds. There is no doubt that Dempster meant to improve the lot of the Shetland people, if it was in his power. His thoughts were echoed in a letter from Hay:

Your Grand Object was no less than a liberal and laudable Reform in the mode of Subrenting lands or in other words liberating the lower class of people from their present State of Bondage and Slavery.⁴⁹

The third report of the committee (July 1785) contains the greatest amount of all the reports on Shetland. Included among this is evidence from John Hall, a London dealer in ships, who had been involved in the Shetland fish trade. Hall's criticisms

were not particularly strong; first he outlined the operation of the "Zetland Method":

That the Fishery of Shetland (except in the instance of Mr Bruce of Sumborough) is carried on by the poor Fishers, who have small allotments of Ground granted to them, on condition that the Fish they get be delivered to the proprietors of the respected lands, at their Salting Houses, at certain Low Prices...the greatest Price not exceeding Three Pence per Head, which is not given them in Cash, but credited, in Return, for Goods and Necessaries of Life, which the Proprietors oblige them to take at the Price they set on them.50

He then gave evidence on Bruce of Sumburgh's tenants, who had been freed from these obligations, and although their rents had been doubled they were "happier" than other tenants and were able to sell their fish to the highest bidder. Then when asked:

Whether the Fishers would get more Money for their Fish, if they were allowed to sell them to any buyer?

He replied:

They would...and that they could be supplied with Stores, Provisions, and Clothing, much cheaper than they are now by their landlords. 51

This was supported by the next witness, Gilbert Henderson, a free fisher from Unst, who stated that the fishers only received 3/6 per cwt. but, if allowed free markets they would be paid 4/- or 4/6 per cwt.

Since this was being presented before a Parliamentary committee the lairds felt that these allegations could not go unanswered. They presented an anonymous paper to the committee setting out their understanding of the relationship between themselves and their tenants. To give its full title, Observations on, and Causes of the particular Connections that subsist betwixt, the Landholders of Shetland and their Tenants or Fishers; with Some Account of the Fisheries of that Country,

written by A Native of Shetland, now known to be Thomas Mouat, a major landowner in Bressay and Unst and self appointed defender of the lairds.
53

It is in this document that the lairds argue that the "particular connection", was a natural one that had arisen out of the economic conditions of the islands, in particular the conditions at the beginning of the eighteenth century when the German merchants stopped trading. This argument echoes that of Gifford fifty years previously. The ending of this trade "forced" the lairds to act as merchants, and to guarantee their advances they presumed rights over the tenants' produce.

The Dutch [meaning deutsch for German] having now deserted the Country, the Fishers were at a great Loss how to dispose of their Fish, Oil other product, as there was no Market within the Islands...

In this untoward State of Affairs, which affected the Landlord equally with the Tenant or Fisher, it became absolutely necessary, that the Produce of his Estate should not perish. And as very few of the Tenants had Stock wherewith to purchase the necessary Articles of Subsistence, and Fishing Apparatus, the Merchant-Landlord was obliged to advance to them...For his Reimburse, and for his Land Rent, he was obliged to take his chance of what Fish happened to be caught through the Season,...and a certain fixed was, by mutual Consent of the Buyer and Seller, put on each Article, adequate to its Value at the Time.

In this Situation of Affairs it is evident and reasonable the Advancer of those necessary Articles should have a preference to the Purchase of all the Tenant's Goods, at least in so far as to indemnify his Creditor; and it rarely happened, that it was in the Debtor's Power completely to indemnify him, especially when Grain was high-priced, or the Fishing unsuccessful; yet as neither Party had any Alternative the same System was pursued[emphasis mine]54

This lengthy extract clearly gives the lairds' version of the relationship. Mouat then goes on to answer Hall's assertions on Sumburgh's freed tenants, and he is doubtful of their advantages. Sumburgh's estate, in the south of the island, has the advantage

of being among the most fertile land in the islands, and the tenants are able to grow a greater proportion of their own food than others less fortunate. The estate is also close to Lerwick, which is a large market for their fish and other produce. Even though Bruce's tenants have all these advantages he (Mouat claims) had great difficulty in getting his tenants to accept their "liberty", since it meant a large rise in their rents. Mouat also argues that it has done the tenants no good, for with the bad harvests of the early 1780's, Bruce's tenants are now in debt to the merchants who now buy their produce and advance them credit:

though they are not now indebted to him, they are (from the Misfortunes of these Three last bad Crops) considerably involved with the Merchants who purchase their Goods, and in this View have only changed their Creditors.⁵⁵

This example was used to strengthen his argument that the relationship "naturally" arose from the conditions of the island. He also argued that the merchants were less likely to have the interests of the tenants at heart than the landlords.

In the end the lairds had little to fear from the committee. In the conclusion of the report the committee defended the lairds against their critics, and stated that the relationship between tenant and laird was a natural one:

Your Committee think themselves bound to observe, that no particular Reflection can, in their opinion, justly be cast upon the Land Owners of Shetland; as from everything that has appeared to your Committee, their conduct towards their Fishers and Tenants is such as naturally arises from the actual State of the Islands, and is probably such as their present Situation who ever had the property, would unavoidably require. ⁵⁶

This was only to be expected in an age when the "Landed Interest" was still the most powerful political force in the nation. It is clear that at least George Dempster was sympathetic to Hall and Hay, and possibly other members of the committee. These men were expressing the desires of a new age and their time had not, as yet, come. Hay never changed his views on the "Zetland Method", although in later life he was in a more ambiguous position as he became a Shetland laird. Still in 1805 he could write in report to the Treasury that he built houses in Lerwick for Shetlanders who were:

as inclined to Relinquish farming and Vassalage and be their own Masters at Liberty.⁵⁷

From then on it was common to see criticisms of the Shetland lairds appearing in print generally from the clergy who emphasised the moral effects on the people over that of the economic. These have been comprehensively covered in the writings of Wills and only need to be outlined here, for to go into further detail would merely be repetitious.

In the (Old) Statistical Account almost all of the ministers were critical of the organisation of the islands; the reduction in the size of holdings, the poverty of the people, the ready advancement of luxuries (tea, drink and fancy clothing). All these had undermined their moral wellbeing and they had taken on
58
the attitudes and actions of slaves.

It was in this background of religious criticism that the Rev. Dr. J. Kemp came to the Islands in 1799, in his position as the secretary to the SSPCK to enquire into the establishment of parochial schools. The following year he published a pamphlet

condemning the laird's social organisation: "Observations on the Islands of Shetland and their inhabitants...with hints for their improvement" (1800). Thomas Mouat, anonymously, replied with "A Letter by the Landholders of Shetland", which repeated the arguments of his earlier defence (in 1785). A friend of Kemp's took up the gauntlet, the Rev. Savile, a minister in the Cowgate, writing as Vindicator published a pamphlet directly attacking Mouat, he was well aware of the author. Mouat's nephew Robert Hunter of Lunna replied to this with "A Second Letter from the Landholders", which set out to attack personally their critics rather than their arguments.

Criticisms of the system continued to be raised but less often Neil's, "A Tour through... Orkney and Shetland" (1806), was generally critical. However Edmondston's authoritative, "A View of the Ancient and Present State of the Zetland Islands" (2 vols. 1809), and Shirreff's "Agriculture of the Shetland Islands" (1814) were basically an apologia for the lairds. The occasional criticism was embarrassing to the lairds but they did not feel it necessary to defend themselves. Perhaps public opinion had become tired of Shetland and had moved onto other topics. We can leave the last word to Thomas Mouat (writing in 1807) writing on the social effects of these seditious writings:

A mistaken idea that the lower ranks labour oppression from their landlords has been lately adopted by some superficial tourists, and seems to be the rage of the times; these ideas have been propagated with great industry, and though utterly unfounded have had the worst imaginable effects in stirring up discontent and seditious views in the minds of the people, by which their imagination are now so much inflamed, that they are ready to break out in acts of violence and to become in a state of insubordination to the laws and customs of the country which practice if continued will in all probability lead to the utmost anarchy and confusion.⁶⁰

The "Zetland Method" had been created over a period of centuries, and reached its most repressive in the mid to late eighteenth century, at a time of increasing structural problems in production in Shetland (chpt.4) The criticisms made of this form of the social organisation of production almost totally came from outside, or from churchmen within the Islands, and emphasised the moral effects of the system. Within Shetland and from the "merchants" only James Hay presented a criticism of the system based on capitalist social relations, only he was willing to attack the lairds in public, and as we shall see only he was prepared to establish free labour in the Islands.

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CHAPTER 3

THE SHETLAND ECONOMY IN THE EIGHTEENTH CENTURY

If the climate be unfriendly to vegetation, and the earth yield with reluctance her productions to the Zetlander, the sea liberally supplies his wants, and, under judicious management, is the natural source of wealth to his country. 1

The social organisation of Shetland in the eighteenth century intimately connected with one form of production, the **haaf** fishing (described below). The history of the trade and commerce of the Islands reflect the history of this industry. This form of production was Shetland's specialisation in the international division of labour and is directly related to the history of the Islands' relationship with the developing European capitalist world economy from at least the early sixteenth century.

The important point about Shetland's economy was that it was not based on subsistence; it produced a commodity that entered international markets. This commodity was not surplus from local subsistence production, but from the islands' specialisation within the international division of labour. Shetland's economy and society reflected much more advanced economic/ exchange relations than one would have at first thought, given its peripheral position. The history of Shetland shows that we need to be more aware of the dynamics by which the world economy is created, and also the complex inter-relationship between social and economic factors in the historical process of development.

This chapter deals with the structure and organisation of this form of fishing, its historical pre-cursors, and its relation with Shetland's general trade and commerce. Although commercial statistics are somewhat vague, an attempt will be made to quantify the extent, value and profitability of the fishing. Finally the changes taking place in Shetland's economy towards the end of the eighteenth century will be related to certain problems in the fishing industry.

Haaf literally means ocean, and the Haaf fishing refers to the open boat long line (or great line) fishing carried on around the coast of Shetland for stockfish; in particular ling but also cod and tusk. These fish were exported to the great international markets for stockfish in North Germany, and later in the century to the Western Mediterranean. Cured fish, herring, cod, ling etc. was a major food source throughout Europe at this time; their production was a huge international industry which was labour and (in the pre-industrial world) capital intensive

THE HAAF FISHING: HISTORY, STRUCTURE AND ORGANISATION

The haaf fishing was Shetland's Summer fishing, the traditional dates being from 20th May to 12th August. The weather effectively prevented any extension of these dates. The vessels used were four and six oared open boats, imported from Norway in "kit" form, with a crew of four to six men. In the earlier period four oared boats were more common but during the century the larger six oared vessels became the norm. The method of fishing was by long or great lines (baukts). Each

line was 50 fathoms long, with a hook every 5 fathoms attached by a short line of 3 to 4 feet. Each boat would have 40 to 50 lines which were tied together as they were layed out, resulting in one long line with many hundreds of hooks (in this example² over 4 miles long with over 500 hooks).

At the beginning of the fishing the men would congregate with their boats at fishing stations which were built as close to the fishing grounds as possible. This was to reduce the sailing time to the grounds. These were often some distance from the men's homes and rudimentary stone lodges were used to house the men while they were at the station. For most of the fishers they were only able to return to their homes to see their families occasionally during the fishing season. At each station the laird or his factor would have a booth suppling the men with all their needs advanced to them against their catches of fish.

The station required a stone beach upon which the the fish could be dried, after they had been split, washed clean and salted. There also being different cures for different markets. The stones allowed the air to circulate around the fish and any water to drain away. The other main activity at the station was the production of fish oil from the livers of the fish. These jobs were mainly carried out by boys or men too old to go to the fishing.

The typical daily activity at the station was for the boats to leave for the distant grounds in the morning after they had caught their bait for that day. They would lay their lines in the afternoon/ early evening depending on the distance they had

to row. The lines were then hauled in after a few hours. If the grounds were close to the station they would return that night; if not they would stay out at sea over-night laying and hauling their lines until they had a good catch. Those that could do a trip in a day would do 4 to 6 in a week; those staying out overnight would only do 2.

The best description of life in the fishing stations giving the full feeling of the unremitting activity of the fishermen and the claustrophobic conditions they lived under is that of Ployen. Although written in 1839, the scenes of the Fethaland station that he describes had not changed for over a hundred years:

Fishermen from many parts of the country assemble there in May to build stone huts, lightened with moss and roofed with feals, or at best a thatch of straw, and there they remain till the twelfth of August, when the fishing season is at an end. The proprietors for whom these people fish...have erected dwelling-houses for their curers, and also stores where the fishermen can procure everything they require. When it is borne in mind that the crews of 60 boats, each consisting of 6 men, sometimes assemble here, with the different factors and their people; that sloops are coming and going, bringing salt and other necessities and taking away oil; that the fishermen whilst having nothing to divert their attention from their special work exert themselves to the utmost, it may be conceived that the scene is one of life and bustle in this strange little hamlet, which, as if by magic, becomes peopled in May and again stands desolate on the twelfth of August...Some boats had come home from the sea, and their fish was being received and weighed by the respective factors; others were preparing to go to sea, some of the men were stretching and drying their lines, others were melting livers into oil, while some stood with folded arms resting after their toil and...yet others were busy cooking victuals. The whole was like a great ship, for no woman was to be seen in the hamlet. The inside of these huts corresponds with the outside. You will find nothing but some beds made of rude boards nailed together, containing straw and coarse blankets...There is moreover a hearth round which are hung wet stockings and other clothes to dry, and over it is suspended a kettle or pot--and this is all.³

During the eighteenth century this was the lot of the great majority of Shetland men. The women, children and old men were left to carry on the work on the croft during the summer months. When a boy was old enough he would help his father at the station; later he would have a share in a boat of his own. As we shall see towards the end of the century alternative employment became available and this was to attract many young Shetlanders.

HISTORICAL BACKGROUND AND ORIGINS OF THE HAAF FISHING

Fishing had always been part of the subsistence economy of the Islands, supplementing the produce of the land and adding variety to the limited diet. Yet fishing had historically been of secondary importance to farming, from their Norse origins (if not earlier) the Shetlanders had been an agricultural people. However fishing had always been a part of their economy and surplus had been traded for centuries but it is clear that it would not have develop into the commercial haaf fishing without external intervention. And that intervention was by the Hanseatic merchants (see Chapter 2). It is known that Shetland fish had been exported to Bergen from at least the fourteenth century and as such it would have been known to the Hansa merchants there. But the conditions that this early trade was carried on under is not known to any great degree.

The evidence suggests that the German merchants built up the Shetland fishing into something close to that of the haaf. The merchants controlled all the processes in the curing of the fish and dealt with the fishermen directly, not with their lairds.

The locals did not appear to know how to cure the fish themselves and most of the lairds were not interested in the trade beyond the payments they received from the merchants. The merchant arrived in the early summer, set himself up at his booth and then spent the rest of the summer months curing the fish and trading with the fishermen, as Gifford wrote:

They salted and dried the fish themselves, and stayed for receiving these goods from the first of May till the last of August.⁴

Balfour writing in the 1770's confirms that the Germans introduced the fishing and suggests that they even taught the locals to cure the fish:

It is probable these strangers first taught the Inhabitants to fish for ling & other fish and to cure and dry them.⁵

It is not at all clear that the Germans did teach the locals to cure the fish; it certainly would not have been a wise commercial move. And the fact that in the early eighteenth century the Shetland cure was often of low quality indicates that the locals were not experienced at the art. Furthermore some merchants were known to stay over the winter so that they could begin the fishing earlier. There would be little point in doing this if the locals could cure the fish themselves; indeed there would have been no need to come at the beginning of the season at all. They only needed to arrive in late August to collect that season's catch. The method of curing in Shetland was based on the German method of the fish being split and sun dried on stones rather than the Norwegian method of drying on sticks. The haaf was therefore the product of a long history but reached its fullest development in the eighteenth century.

EIGHTEENTH CENTURY DEVELOPMENTS

During the eighteenth century there were some important developments in the fishing; there was a shift to larger boats with more lines, going a greater distance out to sea, and some internal geographical specialisation. There was an early impetus to the industry with the establishment in 1718 of a bounty of 3/- (sterling) per cwt. Earlier in the century, and previously, the Haaf fishing had covered most of Shetland. During the century there was a tendency for the fishing to be concentrated in the Northerly parishes, where over the century larger cargo boats were used going further and further out to sea and generally had larger catches. This was in search of Ling which was found in greatest numbers in the deeper water at the edge of the continental shelf. There is some evidence that fish were becoming scarcer nearer to the shore although it is not clear if this was due to overfishing or to hydrological changes forcing the fish to migrate to deeper water.

These changes can be best seen in Northmavine the single most important parish for the "Far Haaf", as this longer distance fishing became known. By the 1790's the stations of Northmavine accounted for almost a third of all boats at the Haaf. Details in the statistical account give 6 stations with a total of between 135 and 149 boats. These were concentrated at two main stations; Stennes with 40 to 50 boats and Fethaland with 60 (the fish from Uya station (14 boats) were taken to Fethaland as there was no stone beach there).⁶

The standard size of a six oared boat had been 18 feet keel, 25 to 27 feet overall; by 1785 this had risen to 19/20 feet of

keel, 30 feet overall, and in the 1830's a keel of 24 feet was standard. This mirrors the shift from four-oared boats to six-oared. In 1733 Gifford when importing boats from Norway explicitly stated that he did not want six-oared boats. Eleven years later in 1744 the cargo of Gifford's ship the *Sibella* included 24 four-oared boats and 8 six-oared boats. In 1767 a list of Shetland fishing vessels gave the fleet as: 290 with a crew of 6, 100 with a crew 5, 60 with 4, and 150 with crews of 4 but of old men and boys (for nearshore fishing). By 1814 there were 500 six-oared boats. The number of lines in each boat also increased to 80/100 by the mid 1770's to 120 by 1785, the latter giving a fully layed line of almost 7 miles with 1,000+ hooks. The average catch of these northern boats was estimated at 800 Ling for the season compared with 300 to 500 for the smaller boats. As the boats got bigger with more equipment, so they became more expensive to buy and fit out: in 1735 it cost £2-10/- to buy and equip a boat; by 1791 it was £8-19/10, and by 1836 it was £11-3/6.

By the late eighteenth century the fishing was reaching its technological peak in numbers and size of boats and number of men involved, and its ecological peak as far as catches were concerned. In 1767 most of the boats were six-oared, 290 of the 450 at the haaf, giving a total of 2,500 men at the haaf fishing. By the 1780's there were some 500 six oared boats with 3,000 fishermen, plus the shore staff.⁸ This was the maximum that the fishing reached which suggests that there was a limit to the fishing. After the crisis in production of the late 1760's to

mid-1780's, the catch started to rise once more to a maximum of 1,000 tons annually, showing that the investment in larger boats and more lines did eventually lead to larger catches. This provides the context within which future economic development took place, in particular the growth of Shetland as a supplier of labour to the Greenland Whaling and the Royal Navy.

PROFITABILITY OF THE HAAF

All the writers on the haaf have stated that it was a profitable concern for the landlord, yet there is little concrete evidence to show how profitable the fishing actually was. There are within the Hay records a set of calculations made by William Hay in 1777/8 of the profitability of the fishing of Sir John Mitchell's lands in Aithsting and Sandsting. These notes not only give us an idea of the profitability of the fishing but also an insight into the accounting techniques of an eighteenth century merchant. Hay was interested in getting the tack of the lands and so needed some idea of the return that he could expect.

He begins by estimating the value of the catches of the 3 previous years (1775, 1776, 1777), adding the value of oil and butter, then subtracting the various costs from this and reaching a figure for the profit. Mitchell had only 10 six-oared boats, although Hay does say that there are other smaller boats that fish at home (nearshore fishing), but it is not clear if his figures include these or not. Hay's calculations are set out in the figure below. If we subtract the figure for butter we get an annual profit for the fish alone of £83-4/- stg., i.e. more than £8 per boat. This can be regarded as a maximum figure since even Hay recognised this as being an over-estimate, partly

because the price of oil was currently only 35/- per barrel not the 40/- he gives, and partly because:

Its customary to give the Fishers presents on Saturday & at Johnsmas etc which will amount to something considerable.10

He does not give any details of how much this would be.

FIGURE 1

WILLIAM HAY'S CALCULATIONS OF THE PROFITABILITY OF MITCHELL'S LANDS IN AITHSTING AND SANDSTING: 1775-1777

Catch (for 3 previous years):

963 Quintalls	Ling Fish @ 16/6 (1)	£794--9/6
21 " "	Tusk Fish @ 14/-	£14-14/-
12 " "	Cod Fish @ 9/6	£5-14/-
41\ Barrels	Oil @ 40/-	£83

The Lands also said to produce 441 lispunds of Butter on which there is a profit of 2/- per lispund

£44

£941-17/6
Prime Cost & Charges £648--5/6

Supposed Profit on 3 years £293-12/-
Profit for one year £97-18/4

Costs & Charges fishers oblig'd to keep up their Shares in the Boats & not entitled to more than 5d each or £5 Scotts the Q.

963 Quintal	Ling @ 8/4	£401--5/-
33 " "	Tusk & Cod @ 6/8	£11
Salt & Curing	966 Q. @ 2/6	£120-15/-
Discount of 5% on the Debenture in lieu of Shipping Charges etc.		£7--4/-
41\ barrels of Oil @ 29 cans is 1204 cans		
tenant receives 1/- per can		£60--4/-
41\ barrels @ 5/- per empty barrel		£10--7/6
Loss on lines-10 boats require 50 lines yearly-lines cost 19 or 20d		
sell for 13d-estate loses 6d		£37-10/-

£648--5/6

Notes: (1) this is the dry weight of the fish caught. The ratio of wet fish to dry is 5 to 2.

Source:SA Hay of Hayfield. Details of the fishing of Mitchell's tenants in Aithsting and Sandsting. 1775-1777

Less than a decade later James Hay (William's son) gave a similar estimate to the Fisheries Commission of 1785. He reckoned that the average catch in a season for a "West Side" six-oared boat was 800 ling, for which the tenant received either 4d each or 3/4 for the cwt. for the wet fish, thus giving the value of the catch at £13-6/8 for the fish and £2-13/4 for the oil, a total of £16. The cost of the fish to the laird was calculated at 8/- or 8/4 per cwt. of dried fish, which was sold at 16/- per cwt, the cost of curing being covered by the bounty of 3/- per cwt. According to Hay the return was:

...a Profit of an Hundred per Cent on the fishing, in the Pocket of the Landlord, who is also understood to have a Profit or Benefit on every article with which he supplies the Fisher.¹¹

On these figures then the fishing was a profitable enterprise. The problem is calculating the other costs to the laird, the problem of advances to the tenants, the low rents from over-divided lands etc.

SHETLAND'S TRADE

The product of the haaf fishing was an internationally traded commodity. The fish was shipped to the north German ports and in return the necessities for carrying on the fishing and foodstuffs were imported. Shetland therefore operated within an international division of labour, within which it specialised in a particular form of production. Like so much else in the history of the islands we need to look at the importance of the German merchants who controlled Shetland's trade up until the early eighteenth century. They did much to give the trade its form and structure.

EXTENT AND VALUE OF THE TRADE:
EARLY EIGHTEENTH CENTURY.

Although the trade was in the hands of the German merchants in the early eighteenth century, there were some Scottish merchants, recognising the profitability of the commerce, who wanted to become active in the trade. One such man, Robert Jolly, drew up a plan to take over the trade and from this invaluable document we can estimate the value and extent of Shetland's trade at the beginning of the eighteenth century.¹²

Jolly was the factor in Hamburg for Alexander Pyper, an Edinburgh merchant, so Jolly would have had extensive first-hand knowledge of the Hamburg-Shetland trade. Jolly's scheme was to establish a Scottish merchant company to replace the Germans, which interestingly enough was to be mainly financed by Hamburg merchants who were willing to lend the majority of the capital for the company. He then sets out details of the scheme, first by calculating the requirements for one ship (100 tons burden).

For the journey to Shetland the cargo would be (note: figures in brackets are the value in pounds Scots. In the original document they are given in Lübeck Marks.): for the fishing 800 ground lines (£500), and 20,000 great and small hooks (£80), these would both be "sold" to the fishermen, and 240 barrels of "Lysbon Salt" (£1050) which would be used to cure the fish and was a cost to production. Drink was important with both beer (£500) and corn brandy (£500). Foodstuffs were 20 barrels of "meel" (£750). And there was also: "Lining Cloth of Several Sort and Value (£400), several necessities as Iron, hemp, nails, twine, Tarre tobacco pyres Soap barrel hoopes drinking

Cannes knives" (£600). The single largest item, by value, was money: "The Cash wanting to buy the cargoe on the other syd", some £5,295, reflecting the extent that Shetland benefitted from this trade. Out of this total of £9,675, only £2,930 was in goods to be traded, £5,295 in cash to buy fish etc., and £1050 for salt for curing. The other cost were: freight of the ship (1080), interest on £8,000 at 6% borrowed to carry on the trade (£480), insurance (£320), and charges at Hamburg (£295).

The return cargo was to be: 20,000 ling, 6,000 cod, and 4,000 skate (weighing 85 tons) costing to buy from the fishers £5,400. Also 80 barrels of butter (2,400), and 50 barrels of oil (£825). Including the cost of the salt this gives the total cost of the return cargo at £9,675. Jolly expected to be able to sell the fish for £11,900 and the butter and oil for £4,170. The total cost of outfitting the ship and buying the cargo was £12,570, giving a profit of some £4,000 on the trip, a return of approximately 30%.

Jolly estimates that the whole trade could be carried on by 5 ships, a smaller number than that usually used by the German merchants which was eight or nine at that time (Gifford gives a figure of ten to twelve which is an over-estimate since the trade had decline somewhat towards the end of the ~~seventeenth~~ century), and thus more likely to be profitable and have a more secure return. If this figure is correct we can estimate the annual Shetland trade as being approximately: 440 tons of fish, 400 barrels of butter, and 250 barrels of oil. Costing over £48,000 to buy (with cash of approximately £26,500) but worth about

£83,000 at the German markets. Hamburg merchants were to put up some two thirds of the capital. Jolly makes no mention of woollens which would have added to the total value of the trade.

This is a useful document, and it is worth noting that although this was to be a Scottish company taking over the trade it was to be financed and centred on Hamburg. It would be valuable to know if the German merchants involved were men well established in the Shetland trade, and as such coming under increasing political pressure from the Scottish government to end their trade and ever rising payments to the lairds and crown estate in the islands. In such conditions it was probably more politically expedient and commercially profitable to allow Scottish merchants to take over the trade. However, nothing appears to have come of Jolly's plan and it was to be the Shetlanders themselves who were to control the trade of the Islands.

SHETLAND'S TRADE: EIGHTEENTH CENTURY DEVELOPMENTS

With the shift to local control in the trade of the islands the traditional contacts with the German ports, in particular with Hamburg, were maintained. The lairds carried out the trade themselves using their own ships and at their own risk; and dealing with merchant houses in Hamburg that were well established in the trade. One of the "new" men, Magnus Henderson of Gardie had received a commercial education in a Hamburg merchant house. Henderson also sent his two sons, Magnus and William to be apprenticed to Hamburg merchants in the 1720's.

The Hamburg market remained the single largest for Shetland produce until the 1760's, after which the western

Mediterranean markets, in particular Barcelona, became the most
14
important.

The reasons for this shift are not entirely clear. They probably had as much to do with changing demand factors in the the German and Spanish markets, of which we know little, as they had with the changing supply position in the Islands. We do not know if the prices in the German markets deteriorated or not, or if it was the attraction of higher prices in Mediterranean markets. For there is some evidence that prices were higher in the southern markets. In the 1730's Gifford sent several cargoes to Lisbon but with little success. At least one of these in 1735 was on his own account, but the problems of curing
15
and transportation were not overcome. The southern markets required a different type of cure which the Shetlanders were slow at perfecting. By at least the 1760's southern merchant houses were buying substantial amounts of Shetland fish for these Mediterranean markets. These were bought and sold at the risk of the dealers. This secure return may have been an important factor as far as the lairds were concerned reducing their own risk and guaranteeing payment. At this time it is not clear if these southern merchant houses dealt directly with the lairds or with local merchants. Some lairds did continue in the trade, but we don't to what extent and for how long. The advantage of using Shetland merchants was that a single order could be placed and then left up to the local merchant to reach agreement with the lairds on the amount they would sell and at what price. It's not clear that a Shetland laird would be prepared to carry out

all the functions of a merchant. From the early 1760's William Hay along with another merchant were buying fish on behalf of a London merchant house for the Spanish market.¹⁶ This change in the organisation of Shetland's external trade allowed the merchants to play a greater role in the economy but a specialised one that was still primarily concerned with the servicing of the existing economy; to this extent at this time they still played a basically passive role.

TRADE WITH NORWAY

Shetland's trade with Norway was the island's oldest economic contact. Starting in the ninth century with the Norse-colonisation of the islands it lasted until well into the nineteenth century. Up until the time when the islands were ceded to Scotland the products of the islands, in particular the products of the land taxes and crown estate, were sent to Bergen. During the period of German domination of trade the imports from Norway became specialised in timber and wood products, the most famous being boats for the haaf fishing (see above for more details on boats). There was a depression in the trade from approximately 1350 to 1500, but from the mid-sixteenth century it began to expand reflecting the increased demand for boats etc., brought about by an expansion in the fishing industry in Shetland. In the early seventeenth century ships from Orkney and Shetland made up 10 to 20% of the ships loading in Sunnhordland.¹⁷ This trade also led to specialisation in the Norwegian economy and at least one area concentrated on building boats for Shetland:

th
From the end of the 17 century the boatbuilders from Tynes seem to have specialized in building boats for export to Shetland.¹⁸

The accounts of this trade do show that other products were bought in Bergen besides that of wood products. Early in the eighteenth century Gifford regularly bought stores for the fishing and even for his own household, but for these Bergen was always regarded as being of less importance than Hamburg.

This regular trade was interrupted by the blockade of Norway in 1807 to 1814, during the Napoleonic wars. This effectively led to the foundation of the boatbuilding industry in Shetland, which produced virtual copies of the Norwegian boats. However after the war ended the trade did revive, even if not to the extent of before the war. The Hays were importing Norwegian boats in the 1820's, and as late as the 1850's there were still regular imports; for 1856-60 there were about 30¹⁹ Jaeltebaade (Shetland boats) exported annually to the islands. During the Napoleonic wars Bergen and Christiansand became important centres for smuggling to the islands, as well as for the re-export of Shetland fish to the blockaded southern markets.

TRADE WITH SCOTLAND

Although the greatest amount of trade was carried on with Germany and Norway, Scotland was becoming of increasing importance in the eighteenth century. There is some evidence that there were some Scottish merchants active in the southern part of Shetland in the seventeenth century but they were of minor importance compared with the Germans. When the Scottish privy council attempted to exclude the Germans from the trade in

1661 the locals lairds petitioned them to relent on the decision²⁰ since the ending of the trade would lead to ruin and famine. In this they were successful; anyway it was unlikely that the Scots could have effectively imposed such a ban. We have seen that some Scots were interested in taking over the Shetland trade at the turn of the century, although it was still to be centred on Hamburg.

During the eighteenth century the Shetland lairds had more and more dealings with merchants in Leith and Edinburgh. This was part of a wider shift towards more social and political contacts with Scotland as Shetland was integrated into the Scottish/British political system. Leith in particular became the centre for an entrepot trade with the Islands. Evidence from the voyages of Gifford's ship suggests the development of a²¹ "square" of trade: Shetland- Leith- Hamburg- Bergen- Shetland. Similarly Edinburgh in its position as Scotland's legal and banking centre became of greater importance for Shetland.

As the structure and organisation of Shetlands' trade changed in the mid-eighteenth century, from being centred on Hamburg to Barcelona, so Scottish trade became more important. Scottish (and English) merchant houses acted as agents in buying Shetland fish for export to the southern markets, linking Shetland within a Scottish/British system of commercial exchange. And Leith acted as a market for Shetlands' produce besides that of fish. This was more of an east coast trade than being purely Scottish and commercial/social links were established with many English ports in particular: London, Hull, and Newcastle. Towards the end of the century the Hays were active in widening

these contacts into the industrial heartland of the north of England.

THE LOCAL ORGANISATION OF FISHING & TRADE:

ROBERT SMITH OF MARRISTER

Among the Hay family papers there is the factor book of Robert Smith for 1759 to 1769 which shows the organisation and operation of fishing and trade in some detail and their close relationship.²² Smith was a merchant in Marrister in Whalsay and was factor for the fishing interests of John Bruce Stewart of Symbister (hereafter referred to as Symbister, the original spelling has been retained), one of Shetland's major landlords. The book deals with the economic relationship between Smith and Symbister, so advances to the fishers are written as debits to Symbister and the amounts of fish as credits etc., thus giving valuable insights into the relationship between laird and merchant in the eighteenth century. The station that Smith was in charge of is not given. Some years are missing from the book; 1762, 1763, 1764 and 1766, but we can still get a clear idea of the value of the transactions over a period of time and the range of activities. 1759 is covered in some detail in the following paragraphs and then some summary tables for the rest of the period are included.

The factor book begins with the amount of fish received from Symbister's tenants, these are given for each boat not for individual tenants, in the form of "John Robertson and partners". There are a total of 11 boats, which caught a total of 7,272 Ling (it was standard to give the numbers of fish caught not the

weight since the fish were "paid" for individually), which was made up of 7,214 plus 58 "score" Ling for which they credited 7d per fish. Besides these fish Smith also received 300 fish from Mr Gifford, a merchant in Hilswick, and 412 which he bought at 5d each, in all giving a total of 7,984 fish. There were also 1 barrel 122 cans of fish oil and 16 lispunds of butter.

Against these were advances made by Smith to the fishers and for "Sundrys Disbursed on the Trade at Hamnavoe". Smith made advances to the fishers totalling £464-7/8 (scots. unless otherwise stated all money is in pounds scots), only monetary values are given in the book. At Hamnavoe various goods came to £183-8/-, with alcohol and tobacco amounting to £79-17/- of this. Symbister was also debited for returned goods at £137-8/-, which included 2 ankers of wine @ £20 and 2 ankers brandy @ £20. And for £56-3/- advanced to Mr John Campbell, who appears to be the captain of a merchant ship, possibly owned or chartered by Symbister to take the cargo to market.

In return for these, Symbister imported goods for Smith's needs as a merchant, totalling £1,350. The way in which this figure is made up gives a valuable insight into the range of goods imported into the islands. These can be divided into 5 categories; linen and clothing, drink and tobacco, goods for the fish trade, foodstuffs, and an "others" category. The linen and clothing came to £406-3/6, made up of check linen, white linen, 12 pairs of shoes, mitts etc., a related item was 15lb of indigo worth £90. Drink and tobacco came to £384; only £48 was for tobacco, the rest for alcohol. There were 3 barrels, 6 ankers

and 6 half ankers of waters (cheap German brandy) @ £10 an anker, and 10 ankers of Hollands gin @ £15, 4 ankers of brandy @ £20, and 3 ankers of Corsican wine (for the table of the lairds). Compared to these all the other categories are small. There was only £138-16/- worth of goods for the fishing trade, mainly for lines (£96) and hooks (£20). Foodstuff was insignificant, £33-12/- for meal, £9 for sugar, and only £2-8/- for tea. The "others" consisted mainly of cash, £126 for 10 Guineas. The extent of the domination of clothing and drink is perhaps surprising, but these were goods that were in constant demand by the locals, and drink was regarded as a necessity for the fishing.

The final balance was in favour of Symbister to a total of £354-5/3, which was to be carried forward to the next year's current account. There are no values given for the fish and butter (beside that which was bought). These would be part of the tenant's rent account with their laird or his tacksman (as seen in chpt. 2).

The following tables show the commercial relationship between a merchant/factor and a laird. Table 1 shows the extent of financial commitment made by Smith to carry on the fishing.

TABLE 1

ADVANCES ETC. MADE BY SMITH 1759-1769
(in pounds Scots to nearest pound)

YEAR	ADVANCES TO FISHERS	PAID FOR FISH/OIL	OTHER ADVANCES AND COSTS	TOTAL(1)
1759	521	149	327	996
1760	627	465	466	1,557
1761	926	498	475	1,899
1765	1,107	279	81	1,467
1767	667	162	200	1,029
1768	666	230	133	1,051
1769	501	92	199	791

Notes: (1) any differences in the total figure is due to rounding of figures.

Source: SA Hay of Hayfield. Factor
acct. bk. R.Smith 1759-1769

To put these figures into some kind of perspective we need to know the extent of the fishing carried out by Symbister's tenants. This is given in Table 2 below, as we would expect there was a great variation in the amount of fish caught. This is also very revealing on the amount of fish that was purchased. The assumption in the literature was that if not all then the great majority of fishers were tenants. The following figures suggest that there were many more "free" fishers than previously thought. These would be either tenants who were not compelled to fish or those who owned their own plot of land but were still, due to economic necessity, forced to fish.

TABLE 2

FISH RECEIVED BY R.SMITH 1759-1769

YEAR	FROM TENANTS	PAID FOR	TOTAL
1759	7,514	470	7,984
1760	9,311	1,557	10,868
1761	6,869	1,671	8,540
1765	6,728	928	7,656
1767	3,793	632	4,425
1768	3,550	699	4,249
1769	2,106	294	2,400

Source: as table 1

The most striking fact to emerge from this table is the dramatic decline in the amount of fish received both from tenants and others, this corresponds with the contemporary evidence of a general depression in the fishing from the late 1760's. If these figures are correct, and they are the only concrete figures we have for this period, then the decline was probably greater than previously imagined. The consequences of this are plain: a fall in income for both tenant and laird and a drop in the foreign trade of the islands. The laird could sustain this decline although if it continued it would pressurise his financial resources. For the tenant it meant an increasing burden of debt and a decline in living standards; for the merchant a drop in his shop sales.

The decline in trade is clearly shown in table 3, where there is a sharp drop from the mid-1760's. This table deals with the amount of goods and cash imported by Symbister for Smith's account, and this will reflect the value of the fish (and other goods) exported.

TABLE 3

BALANCE OF TRADE 1759-1769
(In pounds Scots. to the nearest pound.)

YEAR	GOODS & CASH IMPORTED BY SYMBISTER FOR SMITH	BALANCE CREDIT TO SYMBISTER
1759	1,351	354
1760	1,197	6(1)
1761	2,065	167
1764	-----	308
1765	1,342	183
1766	-----	93
1767	1,033	98
1768	930	108
1769	698	87

Notes: (1) this is to the credit of Smith

Source: as table 1

We can see the relationship between the decline in catches and the decline in commerce/ trade more clearly in table 4 which summarises the above three tables in the form of indexes.

TABLE 4

INDEX SUMMARY TABLES 1-3, 1759-1769
(1759=100)

YEAR	FISH FROM TENANTS	FISH TOTAL	ADVANCES TO FISHERS	ADVANCES TOTAL	IMPORTS(1)
1759	100	100	100	100	100
1760	124	136	120	156	89
1761	91	107	178	191	153
1765	90	96	213	147	99
1767	50	55	128	103	77
1768	47	53	128	106	69
1769	28	30	96	79	52

Notes: (1) the imports will reflect the trading position of the previous year.

Source: as table 1

This table shows three important factors on Shetland society/economy at this time. One is the extent of the depression in catches in the mid to late 1760's. The second is the strong relationship between the fishing catches and the trade of the islands; and the third is the necessity of the laird maintaining advances to his tenants in years of falling catches. Assuming that the price paid for fish remained relatively stable, and the evidence suggests this (there was only a slight rise in the 1760's from an average of 12/- or 13/- per cwt. to 14/-) then we can see that there was a period of worsening in Shetland's trade balance. Other evidence shows that these figures are generally worse than those for the Islands as a whole. This may reflect specific local factors not representative of the Islands, and that continued investment in the fishing on the West Side led to less of a decline than would otherwise have occurred, although there could have been a decline in average catches.

This chapter has shown the intimate relationship between the haaf fishing and the trade of the Islands. How this trade developed over several centuries and changes in its structure in the eighteenth century. It also provides a detailed example of how this system actually worked at this time. If we combine this with the previous chapter we can see the close relationship between production and trade and how control over the labour of the tenant was a central aspect of the social organisation of Shetland. Towards the end of the chapter it was suggested that there was a decline in fishing catches. This showed that there was a crisis in production in the Islands. It is to that crisis that we turn to next.

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CHAPTER 4

SHETLAND AND THE SUBSISTENCE AND PRODUCTION CRISIS OF THE LATE EIGHTEENTH CENTURY

The lateft Advices from Shetland confirming the former Accounts of the Distreffes of the People of the Country, from the Failure of their Crops and Fifheries, and the Death of their Cattles, the following Particulars are laid before the Public...1

Shetland was faced by a serious crisis in production from at least the late 1760's onwards. The crisis took two forms: the first was a slump in the fishing industry, the second was a "Malthusian" subsistence crisis in agriculture. These were due to both natural and social causes. In the literature the natural causes have tended to be over-emphasised. What is important was the way in which the existing form of the social organisation of production was bringing Shetland to the brink of economic collapse. The lairds seeing their incomes fall and the debts of their tenants rise reacted. Attempting to maintain their control of Shetland they proposed ways in which the economy could be expanded with themselves remaining at the helm. It is in the context of this crisis and the failure of the lairds that the later expansion of trade and production of the "merchants" needs to be understood.

Since production in Shetland depended on the annual vagaries of fish, it was natural that there would be good and poor years. And when there were several bad years in a row than this would have serious social and economic effects in the islands. This remains a crisis in production, and requires to be analysed as

such. We have seen how over a period of several centuries Shetland had specialised in the production of one commodity and that this was intensified in the eighteenth century. The social organisation of the society geared as it was to this form of production also entered a crisis. Certain events are likely to occur at this time; the lairds will wish to strengthen their control over their tenantry, the tenants to maintain their existing position. Other, more marginal groups may be able to exploit this or the lairds and tenants can take advantage of opportunities opened to them by changing structural circumstances. As we shall see there were developments in the economy at this period. Some had the effect of strengthening the hold of the laird over the tenantry, while others undermined this control. For example the increase of indebtedness of the tenants increased the hold of the laird's over them, while opportunities of employment in the Greenland whaling and even the Royal Navy undermined the lairds control of the tenants labour.

CRISIS IN PRODUCTION

It has long been recognised that there was a serious depression in the haaf fishing from the late 1760's onwards, and Smith writes of "prolonged slump of 1769-1784"². The evidence from the fishing of Bruce of Simbister (chpt.3) suggests that this started before 1769. Not only was there a marked drop in the catches but in the years before 1779 they consisted of great numbers of small fish.³ In certain years such as 1774 the weather was so bad that the fishing had to be ended prematurely. Fea writing in the 1770's could state that:

All kind of Fishing is greatly decayed here, notwithstanding the greater pains is taken by the ye Fishers now then ever before who with small Norway Yoells will adventure to the far Sea, and oft times endure hard weathers. 4

There are no customs records for this period so we cannot compare the extent of the decline in the fishing.

During the eighteenth century there had been a general expansion of the fishing, an increasing investment in larger boats, more lines, and the boats going further out to sea in search for fish. This had been most marked in the northerly parishes. This had led to a serious problem of over-crowding of the fishing grounds with a decline in average catches per boat, hence the need to go further out to sea, which was made worse by the fall in catches. The lairds recognised that a reduction in the number of boats fishing would not lead to an equal decline in catches, indeed that such a reduction would result in an increase in average catches and a greater return on capital:

The Gentlemen would divide their tenants equally betwixt the Greenland and ling fishing, which would produce a considerable number of men for the Greenland trade... and would divide the Gentlemens risk and loss and chance of gain to better purpose, and it is a well known fact that the fewer Boats which ply the ling fishing on any part of the Coast their success is always greater. 5

The depression in catches undermined the economic stability of the social organisation in Shetland but, this was only one aspect of the crisis the other was a decline in subsistence agriculture, and the increasing economic marginalisation of the tenantry.

THE ZETLAND METHOD AND THE PRODUCTION/SUBSISTENCE CRISIS OF THE LATE EIGHTEENTH CENTURY

Any "honeymoon" period that the tenants may have enjoyed on the introduction of the "Zetland Method" was probably quite short, and by the 1740's the method of enforcement of the system was beginning to be oppressive (see chpt.2). By the late eighteenth century the logic of the system was having a dramatic effect on Shetland society. There was a subsistence crisis brought about by the decline in the size of holdings, a large rise in population, and a decline in subsistence agriculture. These were of course all inter-related, each reinforcing the other. This marginalised the position of the agricultural economy in general and of the tenantry in particular. This may not have mattered in years of good fishing when there was money enough for imported meal but when environmental factors led to a combination of poor fishing and poor crops the precarious nature of the Shetland system came home to roost with vengeance. Each factor will be taken in turn.

DECLINE IN SIZE OF HOLDINGS

The logic of the "Zetland Method" was for the lairds to have as many tenants as possible, and given only a limited amount of land this naturally led to a general reduction in the size of the holdings. We have only anecdotal evidence that there was a decline in the average size of holdings, but it is extensive. The explanation is that to increase the number of tenants the lairds encouraged early marriage, and made land available by the sub-division of existing holdings and by the creation of new holdings outside the farmtoun dykes in the hill land (called

outsets, generally of poorer quality land). James Fea wrote that:

The situation of Shetland being so well adapted for the fishing of Ling, Cod and Tusk, and the returns from hence, in favourable Seasons so very advantageous, the Gentlemen of that country have for several years past, directed their attention entirely to this fishery; and therefore have converted some of the larger farms on their estates into such small ones, as commonly afford the possessors only Potatoe ground, a Cabbage Garden etc. very little, if any, being allowed for Corn. 6

Fea clearly connects the fishing and the sub-division of land and the decline in subsistence. In 1785 James Hay echoed these ideas in his evidence to the Fisheries Commission:

The Landlord, in order to increase his Number of Fishers, divides his Property into such small Farms, that the produce of each cannot give Bread to the Family, even with the Surplus fish. 7

This was also one of the main complaints of the ministers' reports in the Statistical Account, in particular from the parishes of; Aithsting, Bressay, Delting, Mid and South Yell, and
8

Walls. The minister from Walls spells it out quite firmly:

Many of their (holdings) within these 40 years being split into triple the number. This has proceeded from the impolitic rage for prosecuting the fishing. 9

It is noteworthy that these ministers were all important parishes for the "prosecuting" of the haaf fishing. Accepting that there was a reduction in the size of the average holding then there must have been an increased marginalisation of the existing subsistence farming.

The decline in Shetland's ability to feed itself is related to this reduction in the size of holdings, although as early as the seventeenth century Shetland relied on imports of food, mainly from Orkney but also Germany, reflecting the early origins

of the specialisation of production. One interesting indicator of this is the decline in the use of the plough in cultivation, to be replaced by the spade which could be used on relatively smaller pieces of ground. As Fenton writes:

Shetland was one of the main areas of spade cultivation in Scotland. The late eighteenth and early nineteenth century intensification of its use accompanied a decline in the number of ploughs, the fragmentation of former joint holdings into large numbers of small units and the development of outsets. ¹⁰

The spade was certainly a substitute for the plough, and by 1814 some nine-tenths of Shetland was cultivated by the spade. The spade cultivation was most marked in the parishes where the haaf was most important, giving further credence to the relation between fishing and the reduction in the size of holdings. There is the case of Unst where "the old "Zetland" plough had been completely replaced by the spade".¹¹ Meanwhile in the more agricultural parishes (Tingwall, Whiteness and Weisdale), the old "Zetland" plough was being replaced by fewer but more efficient¹² Scottish ploughs.

RISE IN POPULATION

Shetland experienced a large population increase in the eighteenth century, particularly in the second half. In crude figures the population rose from 15,210 in Webster's 1755 census, to 20,451 in the O.S.A. of the 1790's, and 22,379 in 1801, a rise of 34% between 1755 and 1790, and of 47% between 1755 and 1801. This is all the more noteworthy when compared with¹³ Orkney's static population over the same period. This rise was not even throughout the islands for it was greater in the north which as we have seen was the main area of expansion for

the haaf fishing. The population of Unst, Yell, Fetlar and Northmavine grew by nearly 47% between 1755 and the 1790's, and by almost 63% between 1755 and 1801. The population of Northmavine, the single most important parish for the fishing, rose by 77% between 1755 and 1790's, and by 103% up to 1801. By comparison Lerwick's (& Gulberwick) population had risen by only 5.5% between 1755 and the 1790's.¹⁴

The standard explanation for this great rise is that it was almost entirely due to the fall in the death rate. This was through a combination of factors. The success of inoculation against smallpox is regarded as the most important, and the folk hero of "Johnny Notions" who did much to make inoculation acceptable to the people is often presented as an expression of the innate intelligence and inquisitiveness of the Shetlander. The introduction of the ubiquitous potato from the 1730's improved the general diet. This decline of the death rate combined with the encouragement of early marriage led to the large population rise of the second half of the eighteenth century.¹⁵ At the present there is insufficient evidence to either support or replace this theory. As it stands it is too simplistic. Either there was a very high birth rate in Shetland which after a rapid decline in the death rate led to a rapid population increase, or the effects of smallpox epidemics have been exaggerated. All that is clear is that there was a rise in population. The demographic history of Shetland is yet to be written.

MALTHUSIAN CRISIS

By at least the 1770's the islands were entering into a classic "Malthusian" subsistence crisis where the population had outstripped the agricultural resources, and the fishing industry had reached its peak within the existing technology . Even in good years the country was only able to feed itself for two-thirds of the year, and in poor years, at best between a third and a half. In the dearth of 1784, the harvest only produced 5,000 bolls of meal out of an estimated requirement of 22,500. Even in a good year 5,000 to 10,000 bolls needed to be imported.¹⁶ The only other resource that the people had were their animals, which they grazed on the hills. As a contemporary wrote in the 1770's:

The wealth or poverty of the Inhabitants consist chiefly or arised from the produce of their cattle & sheep. 17

These were not only a source of food but could be used to pay off debts and acted as a safeguard against future hardship. But the rise in the number of holdings had led to increasing pressure on the hill grazing and a drop in the average number of cattle and sheep held by each family. This position was aggravated by the bad winter of 1783-1784 which killed off many livestock and made the dearth of 1782-1784 that much worse. The lairds sent a petition to the House of Commons in 1784 to get relief for the Island:

That their two laft Years Crops had failed in a greater Degree than ever known, and, by the Length and Severity of the laft Winter, moft of their Sheep and Cattle have Died, and many of the poor People have been loft for Want of the real Neceffaries of Life.-That their Fifheries had almoft totally failed, and the Land-Owners of the Country had fupported the Inhabitants until all their Refources were exhausted.-That at this Time there is Bread to be bought, but the Funds of the Land-Owners being expended, and the Sheep and Cattle belonging to the poor People dead, their Diftrefs is only aggravated by feeing a Relief which they are now incapable of purchafing. 18

There was interest throughout Britain in sending money and food; bankers in Hull, Lincoln, York, and Leeds all collected subscriptions as well as in Edinburgh where Alexander Alison of the Excise-Office co-ordinated the relief. In the Islands Robert Hunter, John Bruce and Thomas Bolt were in charge of the distribution of any foodstuffs sent.

In the mid-1780's sheep scab broke out in Dunrossness and relentlessly worked its way northwards, all attempts at stopping it failing. The sheep population declined from an estimated 100,000 in 1790 to between 70,000 and 80,000 in 1814,²⁰ a drop from an average of 5 per head to just over 3. In the severe winter of 1784 large numbers of animals died, in Delting it was recorded that 4,506 sheep and 427 black cattle were killed. This further marginalised the position of the tenants, forcing them into debt and requiring aid from outside the Islands.

This was generally a bad time for harvests and the fishing. There was only 5 years between 1756 and 1824 in which both the fishing and the harvest were good. And there were dearths in; 1759, 1766; 1772-74, 1778, 1781-6, and 1811-13.²² The concentration in the 1770's and 1780's meant that there was no time to build up stocks. Matters were, on the whole, worse in

the north of the country, where the land was poorer and the fishing of greater importance. In the 1770's William Balfour writing on Unst stated:

The common stocks of wealth is reduced at least two thirds, and there is not now, in these Isles, nor in all the country one yoke of oxen for six 50 years ago [the people were in great debt]...thus it became common for men who never had £100 Scots of Stock to be 2 or £300 often more in debt to there landlords & to continue so all their lives. 23

Another contemporary writer, George Low travelling through the islands in 1774 recognised the effects that the existing social organisation was having on the people, and that their indebtedness was in danger of destroying the fishing, the very basis of the system itself:

always keep the fisherman in debt; and; if not remedied, must end in the fishing altogether

[and that the people would emigrate if they had the chance]

and could they get themselves properly headed, I believe the people would emigrate from most parts of the country in shoals. 24

Captain James Kyd in his evidence to the Fisheries Commission warned the commission on the great poverty of the people:

If an Emancipation of the Shetland Fishers is intended, care must be taken to provide immediate employment and Subsistence for them, otherwise they would starve, the most of them being in absolute poverty. 25

In chapter 2 we saw how this form of social organisation of production was coming in for increasing criticism at this period, both internally from merchants like Hay and the local clergy, and externally from the church and men who wished to see Shetland's economy develop. All viewed the "Zetland Method" as being damaging to the moral well-being of the people and to the ability of the economy to develop (these two issues were seen as

different sides of the same coin to such men). In this light it is interesting to reflect that the "Zetland Method" was itself the creation of a small number of commercially minded men, men who wished to gain a footing for the produce of their land in the great commercial markets of their day. They built on the traditions left them by the Scot lairds and the German merchants and created the system of "fishing tenures". In less than a century the logic of this system was bringing the islands into a serious crisis.

RESPONSES TO THE CRISIS

Faced by this crisis in the social/economic fabric of the islands those who were operating the system were forced to respond. Their actions took three forms: (1) the intensification of the existing form of production, (2) expansion into new areas of production, (3) the emancipation of the tenantry. We have already seen (above and in chpt.3) how throughout the slump in fishing of the late 1760's to mid-1780's the lairds increased their investment into the haaf. On the one hand this reflected the basic economic conservatism of the lairds but on the other it appeared to contemporaries to be reasonable and sensible as the fishing was bound to improve eventually. It is the second and third forms of response that is of greater interest; the second took (at least) three distinct attempts: (a) to rationalise Shetland's role as supplier of labour to the Greenland whaling, (b) to establish a herring fishery based on Shetland, (c) the establishment of a linen industry in Shetland, (these are not in chronological order). The third response was

significant if limited, but did not provide a model for others to follow.

The attempt by the lairds to put under their control the supply of labour to the Greenland whalers is dealt with in detail in chapter 6. What is important is that they failed and opened the way for others to take control of this lucrative trade. If they had succeeded they would have guaranteed themselves a regular supply of income as they proposed to control all aspects of the men's employment. The lairds would decide who could go to the whaling and they, not the whale owners, would set the wage rates and make all the payments to the men. In effect the tenants would be involved in wage labour but without relations based on cash payments, the "cash nexus" without the cash.

STATE INTERVENTION: THE HERRING FISHERY

The second response as stated above is somewhat more ambitious; it was to establish Shetland as the centre for the British herring industry through government subsidies. The history of the herring industry is dealt with in chapter 7. What is interesting about Shetland was that although a huge international fishery took place around its shores, and had done for many centuries, to the island, herring had only been of marginal importance compared to stockfish. In a fascinating document entitled:

Some Cursory Observations upon the Herring Fishing carried on upon the Coasts of Shetland, by the Dutch, and of late by most of the Northern Powers in Europe, showing the advantages that would probably arrive to Britain by her excluding all European Nations from that Fishery, & taking the management thereof interely to herself. (dated Febuary 1781) 26

John Bruce goes into extensive detail on the establishment of a

herring industry in Shetland and how it would benefit Britain as a whole. This document is so revealing that it is worthwhile going into it in some detail.

The paper is divided into four sections. The first is a history of the failure to establish a British herring industry. The second is on the extent of the Dutch and other "foreign powers" herring fisheries off Shetland. The third sets out the possibility of encouraging the Shetlanders (and Orcadians) to develop the industry themselves. The fourth states the advantages that such an industry would be to the nation as a whole. It is these last two sections that are the most interesting.

The main reason that there had never been a successful British herring industry was that the efforts had always attempted to copy the Dutch. It was much more expensive for the British to man and equip the 60 ton busses as used by the Dutch, and because of the bounty laws (crews had to from the home port of the ship, and bounty was only paid on ships of 20 tons and over) the British ships had never been able to take advantage of the cheaper but experienced labour in Shetland. And because of the cost of buying and equipping even a small trial of boats on the Dutch system, estimated at seven to eight thousand pounds sterling, the Shetlanders had never been able to establish their own fishery. The scheme as proposed was for the bounty regulations to be changed so that small boats could be used, the small open boats currently used at the haaf. Once the fishing had been established on a firm footing there would be great benefits for the country as a whole.

Bruce develops this in a classic mercantile form. Britain, or the "Parent State" as he writes, would benefit from the exclusion of the Dutch and other "foreign powers" from a "British" resource. The fishery would lead to rapid rise in population. In this pre-Malthusian/ pre-industrial world population was seen as the main source of national power and wealth. The current population of Orkney and Shetland was estimated at 50,000 and Bruce believes that this could rise to 500,000 (Bruce was nothing if not optimistic).

He then goes on to compare Orkney and Shetland with the Dutch republic and the American colonies. Although Orkney and Shetland are small islands they are no smaller than the wealthier and most populous of the Dutch provinces, and they had made their wealth from their fishing around Shetland:

They consist both together of about 15 hundred square miles, which space is not a vast deal inferior to some of the most populous Provinces of the seven united States; and yet the most solid support of these states...has been their fisheries all of which have been carried on upon, and along the coasts of Shetland.²⁷

The comparisons with the American colonies is perhaps of the greatest historical interests since it locates the document within a contemporary debate on development in Scotland and it pre-dates the argument of John Knox by three years. The colonies had cost the country much to defend and develop and now they are in a state of revolt against Britain. The money spent on the colonies would have been better spent on developing the northern parts of Britain instead, for there not only would there have been a greater expansion of trade and commerce at a much smaller cost but also they would be much easier and cheaper to

defend than more distant colonies. It is worthwhile giving an extensive quote from the document which will show the mercantilist nature of the argument and its relation with the contemporary debate on development:

Our American Collonies on the Continent have revolted and distant Colonies must always be fixed by a more precarious tenure and defended and governed at a much greater Expence than Territories nearer the Parent State. Orkney and Shetland may justly be looked on in the light of a Colony...these islands are at present but little improved and have hitherto been neglected by Government; yet if Government would give proper attention to the great consequences, and to the improvement of the Islands of Orkney and Shetland, in agriculture Fisheries and manufactures, their population would increase with amazing rapidity and they would probably become in time the source of great wealth and Power to the Parent State. The effects of their improvement would be felt by Britain alone and by increase of Population, Britain would derive more Benefit,...supposing them to only increase to 200 thousand,...than she has ever recieved from a million of Inhabitants in the new world, in her sole right of being the Parent State; These Collonies have all of them cost Britain very large sums of money to support and defend them, and they have to be sure enlarged her Commerce and Marine. These Islands would cost Britain little to defend and as little to support them, they would proportionally increase her Commerce and would give an effectual assistance in the defence of the Parent State, being in Fact a part of it, when attacked by a foreign Enemy. This is a subject of great importance to Britain at present. The increase of population in a State increases its Power, and in time its wealth. To Britain the increase of population caused by the increase of Fisheries is of much greater importance than any other; it Breeds Seamen for the defence of the State, and of all manufactures or any other business, a Fishery is by far the best calculated for a poor Country. In Manufactures if a workman cannot sell his goods he must starve but if Fish will not sell it may be eaten and it is said that above all other food it promotes fecundity so that, if promoting population increases the Power and wealth of a State, the encourageing of a Fishery in that State, is in fact promoting (if the expression may be used) the manufacturing of the human Species, and of food for its subsistence!28

Alas the "Parent State" felt no particular need to develop this internal colony, perhaps it was too busy fighting half of Europe, but more likely it continued in its general indifference

to the fate of its most northerly isles. The future of Shetland was not to be decided by direct state intervention.

THE LINEN INDUSTRY

The attempt to establish a linen industry was the first attempt to introduce manufacturing industry into the islands. Like the two examples above it begins with a great deal of optimism on the potential for the islands and the people, then step by step the promises are not fulfilled and it finally fails. There are two distinctive points about the linen industry in Shetland: one, that the lairds actually invested their own capital into the business (along with some state encouragement), and two, that it was a united effort between "laird" and "merchant". The linen industry provided an opportunity for the laird to increase his wealth from the labour of his tenants in particular from women and girls who did little to add directly to their wealth. By its nature, owing to the need for a centralised factory and bleachfield which required a large capital outlay, the industry called for an unprecedented degree of united effort from the "Gentlemen" of Shetland. Besides a mention in the Statistical Account very little is known about the linen industry in Shetland; Wills only mentions it in passing and Smith is unable to give it the discussion it requires. The following should go some way in rectifying this situation.

The origins of the scheme are not clear but the evidence suggests a combination of the ambitions of William Hay and the Mitchell family (in particular Lady Mitchell the wife of Sir John Mitchell of Westshore). Lady Mitchell had close contacts with the Commissioners and Trustees for Improving Fisheries and

Manufactures in Scotland (generally known and referred to as the Board of Trustees), and represented them in Shetland throughout this period. In 1765 she was offering incentives to grow flax. William Hay was at this time a tacksman in Papa Stour and he had shown an early interest in getting his tenants to grow flax and to learn spinning, to the extent of employing a Lerwick woman to set up a spinning school in the island. In 1766 he engaged Robert Moodie, a weaver from Falkirk to teach the trade to the locals, he also made enquiries to "engage a Servant woman that understands the bringing up of Flax".³⁰

Both Hay and the lairds wanted the industry to be operated on a much more extensive footing. They envisaged the establishment of a significant industry based on the labour of many hundreds. A plan was outlined for the whole population to be involved in the production of linen mainly by spinning. At first the tenants would need to be forced to carry out this extra burden, and it was suggested that this could easily be organised as part of the existing method of social organisation by making spinning a part of the lease:

...the method of force (its humbly thought) should be, that every proprietor in the country shall set his lands to his tenants with that new clause, that each tenant should cause to be spun in his family 1 pound of lint in the year for each merk of land he labours, & each outsetter 1 lib for each 5/- of debt he pays. 31

Once the people were used to the industry and shown how mutually profitable it was they would soon increase their effort by themselves:

When the profit arising therefrom is hereby forced on these sences, they will voluntarily extend the quantity spun for their private emolument, so that what at first may appear a tyrannical compulsion, they will in a little time gladly embrace as a necessary & profitable duty. 32

If this plan was to be carried out then the total product of the islands was estimated at 40,000 yards of cloth, calculated in the following way.

10,500 merks of land paying cess

5,500 " superior property and umbouth

16,000 merks, & the same number of libs of lint spun

allowing each outsetter to pay an average 15/- stg. per,
is 3 lib lint each; as 380 families will be

1,140 pounds of lint from outsetters

17,140 pound, besides what may be spun in gentlemens families,
amongst the independent & better sort, & in the towns of
Lerwick & Scalloway, which cannot be reckoned less than

2,860

20,000 lib, which will amount to about 40 thousand yards of
cloath 33

The tenant was to receive for spinning 2d per hank (compared to 3d in Edinburgh and 2d in Orkney), totalling some £500 which:

would be neat gain to, and soley by, the labour of the
poorest class, vizt women and girls 34

The estimated profits from this plan was to be over 600 per annum, greater if the quality of the cloth were to be high and the amount was to rise.

The immediate need was to establish a bleachfield and a factory. To this end Hay apprenticed his eldest son James in 1767 (he left Shetland in January 1768), to Sandeman of Luncarty (near Perth) to learn the trade. He was "to be taught the whole art of Bleaching in two years". It was arranged by Lady Mitchell that all the costs were to be paid by the trustees. 35

On his return in 1770 the "Company of Linen Manufacturing in Shetland", was established (also known as the firm of "Sir John Mitchell & Co."), the subscribers to which included a virtual who's who of Shetland Society. Hance Smith states that the company, "was backed mainly by landowners and merchants with indirect interests in the haaf fishing".³⁶ Yet the most important names included among the subscribers were: Sir John Mitchell of Westshore, John Bruce of Sumburgh, John Stewart of Simbister, Gideon Gifford of Busta, William Mouat of Garth, and Robert Hunter of Lunna.³⁷ These were the most powerful men in the land and at least the last four were all active in the haaf fishing. The initial capital was to be 750 stg. (later increased to 1050 stg.), Hay's share being one-sixth. Of this 500 was to spent on the building of a weaving "shop" of 12 looms and a bleachfield, both at Catfirth. The rest was to be spent on stock. In his position as manager Hay was to be paid a salary of £35 a year.³⁸

The organisation of the company was not conducive to its future development. The plan as outlined above was never introduced to any great degree. The factory was to receive yarn from the lairds; this was then to be woven into cloth and bleached; it was then to be returned to the laird with a charge made according to the length/type of cloth. In effect this meant that the company was producing linen as required by the local lairds, subsidised by the investments made by the trustees, and not as a commercial company making its own cloth for sale either for internal use or export. The result was general under-use of the facilities; there was often not enough work for

the weavers, unit costs were too high, and the resulting cloth could not compete with imported Scottish/ German linen either in cost or quality.

One of Hay's main jobs was to train apprentices, and as late as 1775 he was being urged to take on as many as 8 to 10 although there are only records for 4: John Ogilvie, John Goodie, Charles Cumming, and James Nicolson. One of the reasons that the company was so keen to have apprentices was that they were subsidised by the trustees. Besides the apprentices there were at least 6 weavers: David Keller, John Moodie, George Greig,
39
David Aitkin, Hugh Robertson, and John Paul.

Things did not seem to go well for the business even from its earliest days. In 1773 there were complaints that Hay was charging the company too much for meal, flour, spirits and tallow. By 1774 Hay and Bruce of Simbister were on bad terms over the quality and quantity of the cloth produced. Hay was even contemplating emigrating. He also had problems in his relations with the weavers; he complained of their laziness and they of his authoritarian attitudes. The company struggled on until 1776 when Hay refused any further work and the weavers were
40
idle. The company was wound up in that year with a loss to all concerned. As late as 1780 John Bruce of Sumburgh was still trying to get money out of Hay for "a quantity of Yarn Stole and
41
Embazzeled".

The collapse of the company seriously affected Hay's relationship with the lairds. They blamed him for the loss and were less inclined to deal with him in other commercial matters.

In 1777 John Richardson & Co. of Perth, with whom Hay bought fish, wrote to him stating that:

We have had it hinted to us that it is against our interest you not being in the Best terms with the Gentlemen of the Country- It may be so we should be sorry that you were on such terms as to oblige them by receiving fish of an inferior quality. 42

If anything it had the opposite effect, pushing Hay on to being even more determined in establishing himself in Shetland society. He was to move to Lerwick and set up his mercantile business there.

EMANCIPATION

There were two landowners who freed their tenants from the existing tenure system in the 1770's, John Bruce of Sumburgh and The Earl of Zetland (only some of his tenants were freed). Two points are interesting from this "emancipation"; it was limited to the southern/ central part of the island, and was not copied, at that time, by any of the other lairds for reasons that will become apparent.⁴³ In 1774, John Bruce set out an agreement for the release of his tenants from compulsory fishing in return for raised money rents (tacksman refers to the fact that the rents are to be paid in cash and are on fixed term leases), the most important points of which were:

Art. 1st That John Bruce of Sumburgh designs to set his estate in the parishes of Cunningsburgh, Sandwick and Dunrossness in a different manner from any hitherto attempted in Zetland...

4d...each tacksman has full liberty to fish for himself, cure and sell his own fish to whom he will, and he may buy sell every article of produce such as fish oil, meal, cattle &c to whom he pleases, and he may deal in any kind of merchandise he pleases;...

8th Every tacksman will have liberty to fish from any part of Sumburghs ground as he pleases, let his farm and his house be never so remote; and Sumburgh will use his interest for liberty of landing and fishing from any other place in Zetland that his tacksman shall choose to go and fish from.44

Bruce was releasing his tenants but emphasised the importance of the fishing. The parishes mentioned were not important for the far haaf, but were good for nearshore and winter fishing. The fishing in these areas was not as productive as that of the north and had not seen the investment in boats and equipment of the north. These parishes were also generally of better quality, agriculturally, than the north. Therefore there was not the same financial dependence on the fishing as there was on the north nor the need for returns on the capital investment.

Similarly the "emancipation" on the lordships' estate was also geographically limited, this time to the central belt covering the parishes of Whiteness, Weisdale, and Tingwall, also the island of Trondra (on the west side near Scalloway). In the 1770's the chamberlain of the estate was William Balfour who wrote a invaluable survey of the estate, with comments on the general social and economic conditions of the island at this crucial period. In this he calls those lands where the tenants had been "free'd from all oppressive prestations and Restrictions" as being, "generally the least commodious for the great
45
fishing". In Whiteness, Weisdale, and Tingwall, there had been previous attempts to improve the land but to no avail, so raising money rents and freeing the tenants was tried with some success. Trondra was good for the winter fishing but not for the haaf; here too the combination of raising rents and freeing the tenants had led to improved conditions. Balfour is clear that this has benefited the tenants and on the reasons why:

...they are better fed, better clothed and more comfortably lodged than they were ten years ago & they seem to feel the change. Their industry being now for themselves & families they appear evidently animated to greater exertion. 47

The emancipation of tenants therefore were limited to areas with certain characteristics; those that would benefit from agricultural improvement, and where the haaf fishing was not the main fishing but where there were important spring and winter fishing. These conditions did not hold for the north of the Islands. Furthermore those lairds who had invested heavily in new boats and equipment were the least likely to free their tenants and allow them to fish for others. It is in this period that we see the creation of internal regions within the Shetland economy with a degree of geographical specialisation.

The failure of these schemes had two significant effects in the historical development of the islands. Firstly it reinforced the position of the haaf fishing in the political economy of production as far as the lairds were concerned. Secondly it led to James Hay (and some others but most importantly Hay) establishing himself as an innovator within the economy. It is important to see this in relation to the failures of the lairds and not as some necessary historical division of effort in the control of Shetland's economy. Also it is in this period of retrenchment of the lairds that we see the conflict between laird and merchant. The emancipation of the tenants was important for the economic activity of the merchants and for the response it received from the other lairds, but its very limited nature actually reinforced the social organisation of production in the northern half of the islands.

MERCHANT AND LAIRDS

It is within the context of this crisis in production that we need to see and assess the laird/merchant distinction that so much is made of in the literature. The contention is that there was a shift in the social and economic control of Shetland from the lairds to the merchants, and that these are socially and economically distinct "classes" with opposed interests, since the merchants are landless and the lairds depend on the land for their income etc. The assumption, and since it is never clearly stated it remains an implicit assumption, is that the merchants are the agents of modernisation, the ubiquitous "capitalists", and the lairds, if not feudal lords, then at least the defenders of a pre-capitalist world. The problem as it stands can be summed up in a quotation from Wills:

The end of the Napoleonic Wars saw the beginning of the merchants' rise to real prosperity, and their increased confidence in challenging the hegemony of the lairds....[and that]...The history of the nineteenth century struggle between merchants and lairds has yet to be written. 48

This identifies two opposed social groups locked in a struggle for the supremacy of the islands. Wills does not go onto elaborate this struggle and the form it took. One of the original aims of this study was to search out that very struggle and this was an important reason for the concentration on the Hay papers. However, as is so often the case, the theory predicting the struggle depends on an abstraction that bears little resemblance to social reality; and is of limited value when actually considering the particular events and conditions in Shetland. The distinction between merchant and laird needs to be qualified and examined, and the "struggle" put into context.

The main example used by both Smith and Wills as a concrete expression of this struggle is that of Peter Innes' dispute with the Mouats.⁴⁹ Innes was a Lerwick merchant and The Mouats among the most important lairds in the Isles. Innes begins his memorial with a description of the social structure of Shetland:

The Islands of Shetland, contain about Twenty Thousand Inhabitants, who may be Ranked & distinguished into Three Clafses.

First the Lairds or Gentry /Except Sir Laurence Dundas/ hold the whole or greatest part of the Lands in these Islands.

Secondly, the Merchants, or in other words People who have no Land Estate in the Country, and they mostly reside in the Village of Lerwick.

Thirdly, the Tenants & fishers who immediatly Hold their little pofsefsions off the Lairds,...50

This establishes the class structure of the Islands and makes the distinction between laird and merchant that of the possession of property. Innes further goes on to describe the Mouats and as:

In short a Line of Lairds, I should have said of Forts, is formed from Unst...to Sumburgh,...just in a direct line, North & South, being the whole length of the Country. Whereby they and their doers have good opportunity to distress the people of Lerwick. 51

Innes had crossed the Mouats by buying some land that William Mouat had wanted for his son. The Mouats were in a powerful position in Shetland society, being related to other and even more influential lairds. Through the patronage of Dundas John Mouat was able to get the position of Surveyor of Customs. Thus allowing them to exploit this position to smuggle. Using this position they seized in April of 1776 Innes' sloop the John & Robert for smuggling, which he claimed he had only used to carry wood from Norway and on which he had paid duty. Innes accuses

the lairds of being involved in smuggling and claims that he had taken part because of the customs being in Lerwick.

In some aspects this supports the the thesis of lairds versus merchants, but only to a limited extent. He does claim that the population of Lerwick, "...enjoyed a state of freedom, unknown to all the other people of Shetland", and that the lairds, "...live like so many small Princes on their Estates."⁵²

However he makes no comments on the improving of the conditions of the tenantry; that they should be employed in any way different from that as they are at the present indeed, when he describes the situation of the tenants he assumes that their conditions are inevitable given the situation in Shetland:

...these Tenants, stands bound, Not Only to give and deliver to the Lairds, their annual Produce,...at a small and undervalue, But also, not to Buy from any person whatever, any sort of Merchandize or goods but from the Laird only who sets his own price on these goods.

This and nothing else could enduce any Man to Purchase lands in Shetland,...[emphasis mine] ⁵²

Innes bought land near Lerwick; it would be interesting to know how he organised his estate, it is known that James Hay bought fish from Innes in 1780.⁵³ In the end the Innes example is trivial, simply because it is conflict not over opposed interests in relation to the organisation but to personal greed. It raises no questions or issues on the organisation of Shetland. The structure of economy and society would be the same if organised by men like Innes. It is only through seeing the area of conflict as being in the sphere of production, and only then over the restructuring of the social organisation of production that we can really talk about class conflict in Shetland. This can be made clearer by looking at a further example by Wills.

In a section entitled "The Upstart Merchants of Lerwick", Wills recounts the story of a dispute between William Hay and John Mouat in 1824. Mouat had built docks at "Garth's Pool" outside Lerwick, rivaling Hay's Freefield docks in size. Hay used his influence with the Collector of Customs to make sure that Garth's Pool would not be within the legal boundaries of Lerwick, since all goods would have to be examined by the Customs in the town thus increasing the cost and difficulty of using the docks. This restriction was only lifted after an appeal to the House of Lords (Wills doesn't give the date of this).⁵⁵ This can hardly be called class conflict, indeed it highlights the "innovative" and active role of the Mouats in the economy as late as the 1820's. This is the form of dispute that any business men would be involved in, using influence to gain advantage over rivals.

We have to look at the evidence presented by James Hay to the Fishery Commission in 1785 (chpt.2) to see a Shetlander arguing for a new way of organising production, that of free labour. His attempt at introducing a herring fishery in 1786 based on free labour failed, although both he and his son William were at the forefront of establishing the later herring and cod fisheries (chpts. 7 & 8). This was conflict over opposed interests, and it was recognised as such. However it was not conflict between merchant and laird but between capitalist and laird. This is an important difference. The term "merchant" just does not convey the differences over which conflict arises; in the case of Shetland that is over control of the labour of the

tenants. this provides the arena for conflict, but even here it can only be termed class conflict if it is over the organisation of that labour, since there would be no real difference in social terms if the fishing tenure system was continued no matter who controlled it. As such the conflict between merchant and laird becomes meaningful when the merchant no longer is a merchant, that is it is when the "merchant" attempts to restructure social relations on a different bases. In Shetland the James Hay wished to establish "capitalist" social relations, few merchants did. Furthermore it emphasises the internal nature of conflict that it was over the labour of Shetlanders not over the control of external trade.

This chapter has dealt with the production and subsistence crisis in Shetland in the late eighteenth century. It has argued that the existing form of social organisation was coming under increasing pressure due to this crisis. Several changes were either contemplated or attempted by the lairds with little or no effect. Although in some areas tenants were freed from the obligation to fish for the laird in return for increased rents. The result of this was to reinforce the existing system in certain parts of the Islands but, at the same time shows that this system was effectively bankrupt. The Shetland economy relied on a combination of good harvests and good catches at the fishing, this was a combination rarely experienced. The crisis did open the economy to changes, and these were strengthened by the structural change in Shetland's relationship with the world economy. It is to these changes and to the central role played by the Hay family that we must now turn.

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6. Fea, J. (1775) *op cit* p.16
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27. *ibid* folio 10
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NLS Hay of Hayfield Acc. 3250 Agreement between R. Moodie & Will. Hay 23/Oct/1766
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31. SA Hay of Hayfield document entitled Computation of Families on Lands, Outsets &c; Quantity of Lint Spun by them & Profits Therefrom &c. n.d
32. *ibid*
33. *ibid*
34. *ibid*
35. Several letters in SA Hay of Hayfield for 1766 etc.
NLS op cit B.1 F.2 see especially Lady Mitchell to Will. Hay 8/Dec./1767
36. Smith, H.D. (1984) op cit
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38. *ibid*
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40. SA op cit A. Nicolson to Jas. Hay 23/May/1776 (partial) Accts. *ibid*
41. SA op cit John Bruce to Jas. Hay
42. SA op cit J. Richardson & Co. to Jas. Hay 25/Oct/1777
43. In 1799 Robert Hunter of Lunna freed his tenants, however his "experiment" only lasted for 3 years. The main reasons that he gave for returning to the old ways were: that even with the raised rents they were still less than that what he would get from a tacksman, and that maintaining the pastures and kelp shores and collecting the rents was as time consuming as the old ways.
Wills, J. "The Zetland Method" Crawford, B.E. (ed) Essays in Shetland History. Lerwick: Shetland Times 1984 pp.171-173
Hunters return to the fold shows have ingrained the "Zetland Method" was into the very nature of social organisation in Shetland and into the consciousness of the people. It was a system that could not be ended overnight by "freeing" the tenants, as long as holdings were too small to sustain a family than the tenants would need to find employment to pay the rent and buy food. It was this union of landholding and fishing that needed to be broken before the system could end.
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Advertisement by J. Bruce of Sumburgh. 20/Dec./1774
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CHAPTER 5

DEVELOPMENTS IN SHETLAND'S ECONOMY: 1770-1820¹

As granting the Defendant a Speculative Adventurer he may thereby very Essentially influence his own interest. Yet the Experience of almost all Country's of every Age has proved beyond doubt the benefit & Utility of Speculation, to which Britain owes its present Excellence in Agriculture, Manufactures, Fisheries & every Branch of Trade.²

The previous chapters have detailed the organisation of Shetland's society and economy and the crisis in the islands in the late eighteenth century. It is within this context that we need to assess the subsequent developments in Shetland. There are too many changes in the structure of the economy and society to be covered in one chapter, and these are detailed in the following four chapters. At the centre of all of these developments are the Hay family, first James then his son William. The story is one of continual growth, expansion, and diversification; all the more remarkable for the troubled and uncertain times that were this period.

This chapter looks at some of the changes in the trade and commerce from the 1770's up to the 1820's and the forming of the Shetland Bank when the economy entered a new period. It will focus upon the character of James Hay, since he played such an important role in the islands economy at this time. A marxist would see in his actions a form of primitive accumulation, and to a degree this was true. Hay was a capitalist, he accumulated capital, by whatever means, and invested that capital into productive activities. Weber would have been proud of him, even though his accounting was less than "rational" on occasions. He

had that concern for detail in business and commercial matters that was so important in maintaining profit margins and securing returns. Indeed he can be compared to MacDougal Hay's character "Gillespie", and between himself and his son William they came close to dominating the economy of Shetland, although they did not capture the soul of the people as "Gillespie" did.³

The start of any outline of changes must be the fish trade because of its central importance in the Shetland economy. This was a difficult time for the trade due to the general dislocation caused by the French wars. However high prices for fish in home markets more than compensated for the difficulties and general rise in foodstuffs. The high duties of this period meant that there was substantial smuggling going on throughout Shetland at this time. James Hay was one of the most active and successful smugglers and the profits from this "trade" was an important element in his growing prosperity. James (and later William) invested their wealth in property as well as in new areas of production (chpts. 7 and 8). The following describes their important role in the development of the economy in this period.

THE FISH TRADE

After the failure of the linen industry James Hay became active as a trader in the produce of the country. Within a few years he was to be the single largest buyer of fish in the islands, doing so not only as an agent for southern merchant houses but also for himself. As such the structure and organisation of Shetland's trade at the end of the eighteenth century and into the nineteenth were greatly influenced by him. At the very least he speeded up the trend whereby merchants

replaced the lairds in controlling external trade.

It is known that from the 1760's there was a shift in the organisation of trade related to the change in markets. Merchant houses in London, Liverpool, Leith, and Glasgow, were buying Shetland fish for southern European markets. This established the form of organisation of trade that was to dominate well into the nineteenth century. The merchant house ordered fish for the foreign market from a local representative, either a laird or a well placed merchant like Thomas Bolt.⁴ The fish was picked up in the islands then shipped to the destined market. This form of organising the trade was closely related to the shift in markets for Shetland fish from northern Europe, to the western Mediterranean. The incentive for the lairds was greater financial security, and also higher prices for their fish. By the 1770's the structure of this trade was for local merchants to act as intermediates between the producer and the buyer.

James Hay first entered this to any extent in 1777, when he began buying fish on behalf of the Perth merchant houses of John Richardson & Co., and Robert Scott Moncreiff & Co.. For them he bought 150 tons which was sent out in two cargoes. The first met with low prices in Barcelona and incurred a large loss. The second was sent to Gibraltar then forwarded to other markets in Italy, France, and Spain, and made a substantial profit more than covering the earlier loss. Also in that year he bought fish for Robertson & Ronald of Leith, but they only wanted a small cargo⁵ of tusk (£60 to £100 worth) and one ton of ling.

The actual organisation of the trade was for Hay to take a

part share; in the above case he had a quarter share, Richardson a half and Moncreiff a quarter. Hay also received commission of two and a half percent and his costs. This was an extension of the existing system of creating partnerships for individual "adventures", a partner being more likely to work actively to improve the fortunes of himself, and therefore all concerned, than if he merely received a commission. In this case Hay bought the best quality fish possible and therefore got the best prices at market.

Hay was quickly established as a major buyer of fish. In 1779 he sent a large cargo to Italy which made a loss; and a shipment of 128 tons for the Amsterdam house of Blau & Co., in which he had a quarter share. 1780 was a good year for Hay, for he bought nearly 335 tons of fish at the prime cost of £4,722. The single largest amount was from John Bruce Stuart of Simbister from whom Hay bought slightly over 77.4 tons for £1,122. Hay also bought substantial amounts from Simbister in 1782, 77.4 tons again, and in 1783, 52.8 tons.⁶ At this time the total annual produce of the islands was in the region of 800 to 1,000 tons of dried fish, for 1783 Goodlad gives a figure of 740 tons.⁷ Hay therefore was accounting for something in the region of a third of the total produce of the islands, and he certainly regarded himself as the single largest buyer and trader in Shetland. He also seems to have overcome any earlier problems he had with the lairds and was on close and friendly terms with some of the most important such as Bruce of Simbister, although his success was not received with unanimous acclaim from the more established buyers; for example James Linklater writing to Hunter of Lunna in

1782 commented on lairds selling their fish to Hay saying, "An
8
Old dealer has little chance I see".

The annual structure of the trade was for the southern merchant houses to place their orders with Hay (or the other dealers) in January or February. Hay would then spend February, March, and possibly April reaching agreements with the lairds/curers on the amount of fish they were willing to let him have and at what price and where and when it could be collected. In September and October cured fish were collected from haaf stations throughout the islands and then shipped to the foreign markets. After October it was unlikely that the fish would be shipped that year and they were put in storage for the winter to be shipped in the spring of the following year. It was usual for the fish to be held at a few places and the vessel would collect the fish from these two or three points, occasionally the fish would be taken to Scalloway, but rarely to Lerwick. The hope was to get the fish to market as soon as possible, to beat the winter storms and get the perishable cargo to market in good condition. It was common for large amounts of the fish to be rotten by the time it reached Spain. Once the fish were sold, normally through a local merchant house that had contacts with a British house, then the payments could be made. The laird did not receive the money for his fish until three to four months after the shipment, although sometimes an advance of a quarter or a third would be made. So there was a long delay between production and payment. By this time another yearly cycle had begun. Under such a structure credit was of central importance,

and payment was made through a sophisticated system of international exchange and credit, organised through chains of local, national, and international merchant houses.

THE INTERNATIONAL CONTEXT

The international situation was critical to the successful operation of such a system of exchange. Conflict, state policy (still mercantilist), and competition could all change and upset this delicate balance of trade. In conditions of intensive international competition for markets, information on prices, and general market conditions could make all the difference between loss and profit. At a time of slow communications this called for future speculation and local initiative. The shift to the Mediterranean markets made the operation that bit more risky; the Hamburg market was well known from years of personal experience and long term contacts, and not having such experience of the new markets placed greater emphasis on good intelligence.

The produce of Shetland had to compete in the European markets with that of Norway and Newfoundland. They mainly produced dried cod, often of poorer quality than that of Shetland, which had through the specialisation in ling found a niche in the market for a better quality product selling at a higher price. It has been estimated that Shetland had approximately 7% of the Spanish market.⁹ However there were problems of market saturation. Since the industry was seasonal there was a tendency for many cargoes to arrive at market at the same time, in the autumn before the winter storms. In late 1786 a merchant house in Barcelona wrote to Hay informing him that 20 cargoes of Norway cod (of bad quality and at a low price), 4 of

Newfoundland cod, and 3 of Shetland ling had all recently arrived in the port, flooding the market and that prices were very low and fish could not be sold at any price. They were astute enough to forward Hay's ship to Leghorn (in Italy).¹⁰ Under such conditions the quality of cure was important; the better the quality the higher the price and the more likely it would last winter storage.

Occasionally conditions were improved when other fisheries failed and where dried fish could be used as a substitute in the diet. In 1786 Hay was informed that the Cornwall pilchard fishing had failed and as that fishery was a substantial supplier to Italy they would require cod and that prices should be good.¹¹

The shift to the Catholic western Mediterranean was based on their need for fish in their diet as prescribed by their faith. By the 1770's Spain had become the largest importer of Shetland fish, and Barcelona was the single largest market. Barcelona was Spain's most important trading city and the centre of Spain's industrial growth and experiencing rapid population growth. There was a large demand for foodstuffs to feed this growing population. But the total demand could vary depending on the clerical rulings on what and when in the year, the people could eat. In particular the prohibition on meat during lent was a major factor on the level of demand, and when there were changes in this then new markets had to be found. In 1779 a papal ruling allowing the eating of meat during lent reduced the demand in Spain for dried fish:

There is another which is much against it, which is that the Pope has given permission to all the Spanish subjects in Europe to eat meat four days a week during lent for three years. 12

In this case the cargo was sent on to Italy.

These problems highlight the need to have good contacts with the foreign markets, contacts which will give good and up to date information, and which could be trusted to be left in charge of a valuable cargo. Contacts were initially made through existing trusted business associates; this personal side to commerce was of vital importance at a time when legal protection was minimal. There were British merchant "colonies" in most major European cities, and these provided close links with British merchant houses. There were also local branches of British merchant houses, or even one where a British merchant, often the son or relative of of an established merchant, had joined with a local to form a partnership. Messrs. M. & J. Gregory & CO. of London, well established in the Shetland trade, had a branch in Barcelona (Gregory & Guille); George Gibson & Co., better known for their smuggling connections with James Hay, had one in Rotterdam. The family connection was important, In 1787 Alex Turner of Leeds wrote to Hay informing him that a relation was forming a trading business in Ancona in Italy with a local and they wished to be involved in the Shetland fish trade. Occasionally the link was even more tenuous, the firm of Mague & Brown of Lisbon had a Mr. Elliot Crauford on the staff, who was the nephew of Lady Mitchell, and they used this as a contact into the Shetland trade.

From the late 1770's onwards the single greatest problem to

the carrying out of the trade was international conflict. Britain had been at peace with its European neighbours since the ending of the seven years war (1763). Then in 1775 the American war began. At first this looked as if it would be good for the Shetland trade since the Newfoundland fishery would be disrupted. However in 1778 France joined the colonies against Britain, but matters were made worse in 1779 when Spain joined against Britain closing the Spanish market to British goods. Hay was able to get around this by sending the fish in Dutch ships, but in 1780 the United Provinces entered the war against Britain. The effect was to depress severely the trade of the islands; in 1781 Hay wrote:

The Mercantile & Export Trade from Shetland in which I have been engaged for several years past being much hurt by the Spanish War & entirely put to an end by the Dutch war. 14

This was a difficult period and there was a brief return to the old Hamburg market and a greater reliance on Italy. In 1781 the Hamburg market was flooded with Shetland fish; and there were
15
poor returns from the Italian markets.

The international conflict of 1778-1783 made Hay look for possible alternative ways of organising the trade so that markets would not be closed to Shetland produce again. One scheme he put forward was for greater contacts with the Faroes (then Danish). In a letter to a Faroes merchant, Urbanus Flon, he outlined his plan. It proposed that they should work closely together, buy and operate ships jointly, thus benefiting from being both British and Danish (Denmark had not been involved in the last war). Together they could ship the produce of the two islands, and import salt direct from Portugal/Spain and spirits

direct from the West Indies and France. This was certainly to be a cover for smuggling and overcoming the problem of British goods being excluded from continental markets since they would be exported under the Danish flag.¹⁶ The scheme was rather one sided and there seemed little benefit for the Faroes, and it never got off the ground, although there was to be a revival of interests in trade with the Faroes during the Napoleonic wars.

It is very difficult to give a longterm picture of the profitability of the trade. That it was profitable is certain, but there were wide fluctuations and great losses had to be accepted as well as good returns. If market conditions were favourable then the profits were high for all concerned. In 1784/85 from two cargoes sent to Alicante, 75 tons by the Duke of Buccleuch and almost 74 tons by the Diligence, Hay made a profit of £543 on his quarter share.¹⁷ At other times it could go drastically wrong; in 1786 the Friendship captained by James' brother Charles, was lost with its cargo of 104 tons of fish and 1500 cubic feet of timber, all at the Hay's own risk. Charles had been told by Hay:

...as you have now under your charge much more then my all in the World My credit and character depends on your Prudent Conduct. 18

Instead of making an expected £1,000 profit Hay made a loss of £200 to £300, even though the ship was insured.¹⁹

Although there are not the figures to give an overall picture of the profitability, there are two indicators that it was profitable in the long term. One is that both Hay and southern merchant houses continued to be involved in the trade,

even given Hay's regular protests on his losses that he was going to give up the trade and leave Shetland. And second that throughout this period the wealth of the family steadily grew (see below).

The problems of organising Shetland's trade during the American Revolution was minor compared to that of the French Revolutionary and Napoleonic Wars. This was for two reasons, not only were they much longer-lasting and more intense, but also because the French blockades were more successful in excluding Shetland produce from its markets. During this period new markets had to be found for Shetland produce, and/or ways of getting around the blockades. There was also the added problem of high insurance, a particular burden on Shetland where everything had to be transported to and from the islands by sea; and the regular need to go by convoy disrupting the established trade routes and times and destinations.

The feeling of British merchants at this time was summed up by Alex Turner of Leeds when he wrote:

I think I never knew so gloomy an aspect for people whose dependence is on continued Business, almost all Europe is shut against us. 20

As far as Shetland was concerned matters reached a low point in 1804 when Italy was blockaded and Spain went to war with Britain. The Spanish market was to be closed until 1808. Shetland used Norwegian ships (at that time part of Denmark and neutral), the fish being exported to Norway and reshipped to Spain. Some Norwegian fish merchants became interested in buying Shetland produce for Spanish markets. But even neutral ships soon had great difficulty in getting through since in retaliation against

the French, Nelson had blockaded Barcelona in 1804/05. Also in 1804/05 yellow fever was raging in the Mediterranean, requiring a long quarantine. Finally ships for Spain would no longer be insured in Holland or Copenhagen. Under such conditions the home market became the most important, particularly Ireland. The loss of export bounty was more than offset by the high prices that war brought about.

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The first decade of the nineteenth century therefore saw a shift towards home markets and the Hays shipped directly to the Irish market, in particular Dublin. Liverpool was an important entrepot port and trade was helped by Andrew Hay being a partner in a Liverpool merchant house of Geddes & Hay. Cargoes of fish and oil were shipped to Liverpool and the boats returned with Irish meal and salt. A further development of this family concern was speculation in the timber trade organised between James Hay Jnr company in St. Johns New Brunswick (Hay & Donaldson) with James and William in Lerwick and Andrew in Liverpool.

There are no reliable figures on levels of production for this period since there are gaps in the customs records for 1797 to 1810 (with the exception of 1806). And it is difficult to compare what little we know with earlier periods since there is a gap for 1769 to 1782. Still it does appear that after the crisis in catches in the 1770's they rose in the 1780's and 1790's. Goodlad gives an annual average of just over 700 tons for 1783 to 1789, and nearly 800 tons for 1790 to 1796. The figures that Hay mentions in his correspondence are for 1788

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annual production of 800 to 1,000 tons and for 1797 600 to 800
 24 tons. It would be expected that production would fall since substantial numbers of Shetlanders were in the Royal Navy either forcibly impressed or as volunteers, and many were going to the Greenland Whaling. This reduced the amount of labour available for the haaf fishing. However a reduction in production was more than offset by the rise in prices brought about by war conditions. The figures below are the prices paid by the Hays for fish from the 1760's to the 1820's.

TABLE 1
 FISH PRICES:
 Prices paid by Jas.& Will Hay
 1760's to 1820's. (in shillings per cwt)

	ling	tusk	cod
decade	range in prices		
1760's	12 to 14		
1770's	13 to 16	14 to 15	12 to 13
1780's	13/6 to 17		12
1790's(1)	17		
1800's	16 to 25	14 to 19	14 to 17(2)
1810's	20 to 30	20 to 25	12 to 27
1820's	15 to 21		15 to 16

notes:(1) only for 1797.

(2)it is not clear from some of the correspondence what amounts received the higher figures; it would be safe to assume quite small quantities relating to very favourable market conditions.

sources: business correspondence, accounts,
 notebooks etc.throughout Hay papers.

Although it seems that prices rose generally the greatest rise was in the early 1800's. In 1806 the price was 18/- for a cwt, in 1809 it had risen to 25/-, and remained in the 20/- to 25/- range peaking in 1813 with 26/- (there was at least one sale at 32/- a cwt in 1810) and in 1814 with a range of 27/- to 30/- a cwt. In 1815 prices had returned to 22/- to 23/- and by 1819

down to 20/-. The 1820's were also poor with prices as low as 15/- in 1821, improving to 21/- in 1825. Prices for Tusk and Cod followed a similar pattern, with peaks in the early 1810's and soon falling back. Cod was as low as 8/- a cwt in 1821, but like ling recovered in the mid 1820's. These were the prices paid for the fish in Shetland and do not reflect the prices in the markets. The peak years were the 1810's; in 1811 prices reached as high as 36/- in London, in 1813 in Dublin at their best they were between 37 and 39/-; in 1814 prices in Cork were only 28 to 30/- (all prices for Ling).²⁵ So there were great fluctuations in fish prices but on the whole prices were good in the first two decades and held up well for the decade after the ending of the war.

SMUGGLING

Smuggling, that most British of activities, was an integral part of eighteenth and nineteenth century Shetland society and economy. In Shetland smuggling was regarded as part of the general trade of the islands and historically grew out of the needs of the fishing industry. In relation to the size of the local economy it was a major business and included, at some stage of the operation, virtually everyone in the islands of all social ranks. The profits made from it were significant in the capital accumulation of some of those individuals, including the Hays, who were to later invest in new industries.

The main item smuggled was alcohol, with lesser amounts of tea and tobacco. Spirits were regarded as necessary for the carrying on of the haaf fishing, and the high duties were

regarded as a cost on production. At its height up to 10,000 gallons were annually smuggled into the islands, either "waters" from Hamburg, or geneva (gin) from Holland. Smuggling was endemic in Shetland and the rugged coastline of voes and isolated islands made it easy to escape the attention of the excise officers. Up until the 1770's smuggling was mainly carried out by the lairds as an extension of their trade with Hamburg.²⁶ From then on the main smugglers were merchants and the trade was centred on Rotterdam. This was related to the shift in the control of external trade from the lairds to the merchants.

THE LAIRDS & SMUGGLING

The lairds' smuggling activities were operated as part of their trade with Hamburg. The local customs and excise were ineffective in limiting this "trade" and were occasionally implicated. The level appears to have increased around the 1760's and there was an attempt in 1764/65 by the customs to force all ships coming to Shetland to load and unload in Lerwick.²⁷ The lairds successfully had this stopped, since it would have greatly increased the costs in transporting their goods throughout the islands. As the fishing expanded, and as population increased, and as the duties rose, so the smuggling intensified.

By this time the 1770's and 1780's, a number of Lerwick merchants particularly James Hay were becoming more active in smuggling. And there was a change in the main source of goods from Hamburg to Holland. The merchants were involved to such an extent that they became known as the "Rotterdam Gentry". The

reason for this shift is related to the general shift in the trade of the Islands. With local merchants acting for southern merchant houses the lairds no longer maintained their contacts with Hamburg. It would also have meant that they would have operated their smuggling activities separate from trading and this would have been difficult to cover up. With Barcelona replacing Hamburg as the main export market, smuggling became a more complex and ultimately dangerous occupation; complex because it included more individuals and international exchanges and payments; dangerous since the smuggling was carried on during a major conflict. This phase of the history of smuggling lasted until the end of the Napoleonic wars, and in the case of the Hays until 1814 when they were heavily fined. Most of the following is based on new material of the smuggling activities of the Hay family, who were well known as being as among the most important smugglers in the islands. The real significance of smuggling for this thesis is its importance as a profitable trade which aided capital accumulation which was then invested in new industries.

JAMES HAY AND SMUGGLING

The first mention that there is of the Hay family being directly involved in smuggling is in the mid-1760's; in 1767 William Hay was sent 10 ankers of geneva, 2 of brandy, and 400 lb. of tobacco, by J. Crauford & Co. of Rotterdam. It is likely that this was only a small part of a larger shipment for many others throughout the Islands. James Hay was involved from at least 1774, again dealing with Crauford & Co. In early 1777

a full cargo of gin was sent to the islands, with Hay onboard the vessel, but the customs and excise had been informed and most of it was seized. To escape possible arrest Hay fled to Hamburg, on the ship, and wrote to Crauford explaining what had happened:

Their was an Watchfull Eyed kepted our me by two of there yachts & altho' I got all landed, yet before I left the Country they had Seized a Great part of the Subjects & ere this time perhaps the Whole. They also came in pursuit of the Sloop which induced me to take this Voyage with her. 29

Surviving accounts suggest that either not all the gin was seized or there had been a previous shipment. The cargo arrived in April and was quickly distributed, much of it landed at Papa Stour, under the care of James' father William. Accounts for 30 Gideon Gifford show that he bought 61 ankers at 25/- an anker.

James Hay's smuggling activities were well known even by this time, and were common knowledge to his business associates in the south. One of his most important southern contacts, J. Richardson of Perth, wrote to him disapproving of his smuggling trade:

We shall be glad to hear the ship you were uneasy about is arrived and hope that you will find it in your interest to employ her in a fair trade for we cannot help hinting to you that it gives us great uneasiness when any of our friends are engaged in the contraband business. 31

The ship that this letter refers to is the *Janet*, a sloop of 40 tons that Hay had bought in 1777. In December of 1778 on a voyage to Rotterdam it was caught in a storm and was stranded in Calais, the hull being seriously damaged.

Some years later Hay was to write about the history of smuggling in this period and conveniently forgot about his own involvement. It had been the Lerwick merchants especially:

Geirson, Innes, and Bolt who had been active. Then in the mid-1770's after extensive seizures by the excise the trade had once more been in the hands of the lairds, in particular, Robert Hunter of Lunna, John Bruce Stuart of Sumburgh, and John Scott of Melbie. Then at the end of the 1780's the Lerwick merchants once more became involved, and Linklater, Ogilvy and some others purchased a boat from John Bruce of Simbister for the trade with Holland. This halted in the 1790's because of the war involving Holland, during which time they bought spirits from a "Foreign Enemy", which drained the country of Gold & Specie to pay for it.³² Although valuable for those he names, this document is only partially correct, as it was to be Hay that was to be the single largest smuggler in the islands.

In the 1780's Hay established his trading relationship with George Gibson & Co., which was to continue into the nineteenth century. Gibson had two merchant houses, one in London (at Kings Arms Yard), the other in Rotterdam. This now meant that cargoes of contraband could be ordered and paid for through a British merchant house. From at least 1783 Gibson & Co., were arranging for shipments of gin for Shetland to be sent direct from Rotterdam. In that year the *Jacubus* sailed from Rotterdam for Shetland in late April with a cargo of gin, and then³³ proceeded to Hamburg with a cargo of fish and oil.

In 1785, James Hay, in partnership with Charles Ogilvy (it was common to work in partnership to spread the risks), and with George Gibson & Co., were involved in no less than 5 smuggling trips between Rotterdam and Shetland. There was the *Ann* in April, then the *Rodney* in June, the *Hawk* in July and again in

August, and the *Ling Fisher* in November. This goes some way in show the extent and regularity of the trade. It was inevitable that there would be losses, and the *Rodney* was seized in 1787. Yet in that year there were two new ships mentioned as being involved, the *Adventure* and the *Hope*. Also between 1791 and 1793, the *Ranger* was active.

Disaster befell Hay's activities in 1795 when Holland was captured by the French, cutting off his supplies. By 1798 that contact had been re-established but through Norway. The new structure was for the gin to be shipped from Rotterdam to Bergen and then to Shetland, normally in small amounts onboard the numerous craft that traded between the Islands and Norway. In Bergen the agent was the merchant house of Alex Greig & Son, which was well established in the Shetland trade. In 1798 a minimum of 649 ankers and 518 half ankers were shipped to Greig, a total of 7,567 imperial gallons. Of this 429 ankers and 222 half ankers were on joint account for James Hay and James Cheyne. Some of this at least was shipped from Bergen in Cheyne's own vessel. In November some were landed in Papa Stour, well out of the way of the customs.

Accounts from that year reveal the profitability of smuggling. Hay bought his gin at 21/9 an anker, and 11/3 per half anker. It was sold at 60/- a full anker. Normally there was little storage time and the barrels were distributed as soon as they arrived going to those who had already placed orders. Even assuming that shipping and storage costs took this price up to 30/- an anker, then there was a large profit to be made. In

this one year Hay and Cheyne could have made as much as £800 out
36
of their share.

In 1799, Holland was again closed and the trade with Bergen stopped. However by 1802 Hay was once again active, still with George Gibson, but the new contact in Norway was Dan Isaackson in Christiansand. In July 1802, Isaacksand received for Hay 905 ankers and 335 half ankers of gin (10,825 imperial gallons). This had been carried from Rotterdam on Hay's own ship the Brothers (57 tons), which Hay was to claim that he had bought for the Norway timber trade. In August the 2nd the Brothers left Christiansand with 405 ankers and 135 half ankers. The ship was seized in Lerwick, although it seems that the cargo had been unloaded. Hay then bought the boat back from the customs for £250, only to have it seized again, this time in London, but with
37
some difficulty he was able to get it cleared, although he still had some trouble with the Admiralty in getting a licence since they felt that the ship was to used for smuggling:

The smallness of the Vessels appearing to them as if intended for an illicit trade. 38

In 1805 the ship was seized once again (see below). The rest of the gin at Christiansand was shipped to Shetland in 1803, in June the Hope carried 135 ankers and 90 half, and in August the
39
Brothers carried 160 ankers and 30 half. As the above suggests events were rapidly catching up with Hay, he was having difficulty in getting his ships insured in London because of his smuggling:

That you are so much suspected of carrying on an illicit trade is very unfavourable, how others know I know not. 40

During the Napoleonic wars the dangers appeared to be increasing, not only from the excise but also from privateers, and given these increased dangers the prices for the spirits rose. In 1805, this time in partnership with William Ogilvy (a merchant in Quendale), Hay, still using the Brothers, had a large cargo of gin sent from Christiansand. In July 1804 Gibson had shipped a large cargo of contraband from Rotterdam to Isaackson in Christiansand. In January of 1805 the Brothers left Norway with 500 ankers gin, 10 ankers French brandy (total of 4,250 imp. gallons), 37 ankers tea (1082 lbs.), and 3 matts of tobacco (400 lbs.). The total cost of this cargo to Hay was £904-18/8 (including insurance of £119). The gin had been bought at 30/- an anker and was sold at between 75/- and 84/-. Even though the goods were landed in Noss, Marrister, and Skerries, the customs were still able to seize some 82 ankers. Hay and Ogilvy sold the remaining for a total of £1,793-14/-. So even given the risks they were still able to make a good return, but perhaps not so good for Hay since the Brothers was seized once again.⁴⁰

After this there is a break in the records as far as smuggling is concerned, and the events that we are next sure about are in 1814. That was a fateful year for James Hay, for two of his ships were seized by the customs and another's cargo was taken. The customs certainly appeared as if they were out to end his smuggling activities. In March the customs in Lerwick confiscated some goods onboard the George Rose, and in June the Margaret was seized in Leith on suspicion of smuggling. Although he managed to overcome these without much difficulty it was the events surrounding the seizure of the Catherine later in

the year that brought an end (as far as known) to James Hay's
42
career as a smuggler.

The Catherine was a sloop of 54 tons and had been bought in 1813 for the herring fishing. In 1814 with James Hay on board and under the cover that it was to go to the cod fishing, it began a series of smuggling voyages criss-crossing the North Sea. The following shows the complex set of networks and exchanges involved in smuggling. Leaving Lerwick on the 16th of April, the Catherine sailed to Sandsay in Orkney to pick up a cargo of meal and potatoes for shipping to Norway (at that time the export of grain was illegal). In Bergen a new cargo of animal skins and hides was taken on for shipment to London. In London a small cargo of ships ropes (cordage) was to be shipped to Hull, but instead on clearing London in mid-July she sailed for Rotterdam. There 600 ankers of gin were taken on and the ship sailed directly for Shetland. The contraband was dropped at North Roe, Tangwick, Papa Stour, and Foula. After this the Catherine returned to Orkney to collect a further cargo of meal, only to be seized by the customs who had been warned by the Shetland customs, who it seems had received information from a
43
local source.

James was fearful of the consequences of the arrest believing that the customs would discover all of the gin and that he and his family would be ruined. He became very depressed (as his illness reappeared) but he remained astute enough to transfer his property to his son, and he wrote to William:

What to do, God knows...I have applied to [...]...forward me a Scroll of Deed...that [I] can convey all my property in your favour.⁴⁴

He estimated the fine for the 600 ankers of gin would come to £12,825 (calculated as treble the duty twice). He even considered pleading "derangement", but on the advice of his Edinburgh lawyer did not. However the customs could only charge him with the cargo of grain and the fine was to be £1,662, calculated as £831 for breaking the blockade, and £831 for⁴⁵ exporting grain, based on 20/- per bushel. His case was not to come to court until May of 1815, by which time his lawyers had reached a composition with the customs and excise of £1,000 and forfeiture of the vessel (which may have been included in the⁴⁶ price). The Lerwick customs were not pleased that Hay got off so lightly. They had written earlier to the Collector in Edinburgh that:

A prosecution for penalties in this case...would have the greatest possible effect towards suppressing smuggling in this country and we do not know a man who better deserves prosecution than Jas. Hay. ⁴⁷

The Hays seemed to have ended their smuggling activities at this point, although it is quite possible that they carried on but at a lower level using their herring and cod boats as cover. William Hay was never as involved as his father had been and was probably quite happy to see the family concentrate on more legal ways of making money. The Hays became respectable citizens and in 1819 Charles Ogilvy could write to William that:

...the smuggler has made another visit to this coast...and has now left the country with money, stockings, Tallow & not a little it is said - this has been a destructive Trade to the country and not likely to be stopped readily. ⁴⁸

Smuggling was too much a part of Shetland life to end so easily, and with James Hay no longer involved others took over, in particular John Ross of Sound and Balfour Spence in conjunction with the London "smuggling house" of Ewarth & Sons. Their activities lasted until about 1819 when after a number of seizures by the customs Ewarth was forced out of business. After this smuggling went out of the hands of locals and became centred around foreign vessels usually dealing with the cod boats or the tenants direct. As the duty declined "legal" whisky and tea replaced "illegal" gin as the staple drink of the Shetland people.

It is difficult to give a concrete figure on the economic importance of smuggling in the Shetland economy, it was certainly instrumental in the economic fortunes of James Hay. There can never be shown a direct link that money gained from smuggling was used as investment capital in other areas or that more risky investments were made with such capital, ^{but} there is enough evidence to show that it played an important role in capital accumulation. The Hays were soon to put that capital to good use in developing the islands' economy. There is even the suggestion that investment in the cod and herring fisheries were probably more likely since they could be used as covers for smuggling, and profits from smuggling would have offset losses from the fisheries (along with the bounty). However smuggling would also have made the fisheries less efficient due to the need for large vessels so it is not clear-cut. Smuggling remains an important part of Shetland's late eighteenth and early century history, and the Hays played a central role in the making of that history.

SHIPPING

Investment in ships was a logical and sensible extension of the Hays economic interests. Owning ships brought in income from frieghting and leasing, and offset costs in shipping cargo and could be used for smuggling. From an early date James Hay was a shipowner, but it was not until the early nineteenth century that the Hays became owners of a significant number of ships, suggesting an expansion of coastal trade and smuggling as well as a growth in capital available for investment. At first these vessels were used for trade from but 1809 the Hays entered into another phase as they bought boats for the herring and cod fisheries, although most of these were used for other activities as well (as in the fateful voyage of the Catherine in 1814). After 1815 there was also the development of coastal and international freighting which was operated separately from the traditional trade of the islands.

The table below sets out the investment in vessels by the Hays from 1777 to 1820 with as much details as are known on cost, tonnage, and the Hays' share in the vessel.

TABLE 2

SHIPPING AND FISHING VESSELS OWNED BY THE HAYS:
1777-1820 inclusive

year bought	name	tonnage	cost	share if not 100%
1777	Janet		£150	
1787	Olive Branch		£262	1/8 (1)
1800	Mary	31		
1800	Morning Star		£307(2)	
1803	Brothers	57	£250	
1803	Hope		£200+	
1808	Don	80	£750	
1810	Ceres (4)			
1810	Dorothy			1/4
1810	Margaret	73	£210	
1813	George Rose	85		
1813	Catherine	54		
1819	Marbank	15	£40	
1819	Lerwick Packet			1/4
1819	Alert		£30	1/6
1820	Mary	40	£175	
1820	Jane	112	£280 (5)	
1820	Discovery			
1820	Fidelity			

notes: (1) bought for his brother Charles who was the captain.

(2) sold in the same year for £160

(3) sold have share to William Ogilvy

(4) sold in 1812 for £300

(5) the Jane had been stranded in Lerwick in 1818, in 1822 she was seriously damaged off Galloway carrying a cargo of fish to Dublin.

source: business correspondence, accounts,
bills of sail etc. all Hay papers

Most of these vessels were used for carrying Shetland produce and smuggling (detailed above), and the developments in the herring and cod fisheries which are dealt with separately (chpts. 7 and 8 respectively) The other development in shipping was in general freighting separate from Shetland's trade.

The first indication of this trade was in 1813 when the Don was insured for a trip from London to the Baltic, although this could have been a cover for smuggling. In 1815 William Hay received from Thomas Strong of Leith a letter of introduction to

Messrs S. Sibbald & Co. of St. Petersburg. From then on the Don was regularly involved in the general cargo trade from Britain to Norway and the Baltic. For much of 1816 she carried coal from Newcastle as well as general manufactured goods to Norway. In 1817 she spent most of the year leased to Fowler & Co. of London on voyages from London to Memel. She carried mixed cargoes for local German merchant houses and returned to London with flax, oats, linseed, and bass matts. In 1818 the Don was even shipping herring and tallow from Bergen and St. Petersburg. Such journeys were profitable; between June 1815 and December 1816 the Don earned £1,106 carrying freight against total disbursements of £206; in 1817/18 she earned a minimum of £1,150 (neither figures include insurance costs). An example for 1817 for a return voyage between London and Memel shows that the freight for general merchandise for the outward trip came to £131-6/-, and for the return journey with flax, oats, and linseed, it was £142-4/4.⁵⁰

The rise in the number of ships meant that there was employment for Shetlanders as seamen, and the creation of a group of professional seamen. Although there was at this time not a large number of boats, as the number rose so it became more viable to become a full-time seaman. In 1803 the pay rates for the Brothers were: for the captain it was £3 a month as well as regular employment; for the crewmen it was not so good, the rates were £1 to £1-10/- a month and only for the duration of the voyage. These wages are comparable to those at the whaling (chpt. 6) although given that seamens' wages generally rise⁵¹ during wartime they are lower than the average pay rates.

OTHER ECONOMIC DEVELOPMENTS: KELP

Kelp became an important product of Shetland during the period of high prices brought about by the exclusion of Spanish barilla from British markets due to the disruption caused by the wars. Kelp was never as important in the Shetland economy as it was in Orkney or the Western Highlands, but it did provide an extra source of income for the landed estates. There are several reasons for this; the kelp in Shetland didn't appear to have as much alkali and it certainly produced a poorer quality product and sold at lower prices; nor were there as many shores that were right for the growing of kelp; and it always remained secondary to fishing and farming. It is possible that the making of kelp was begun as early as the 1760's, its production expanded in the 1770's and 1780's to as much as 200 to 300 tons, mainly as a substitute for the poor fishings of that time.

In 1781 Hay shipped 35 tons of kelp, mainly from Robert Hunter of Lunna, to Hull, which sold for £4-10/- a ton. In 1782 he tried a further cargo, this time 50 tons which he sold to Richard Poly & Co. soap manufacturers in Leeds. During the Napoleonic wars as prices rose so did production, reaching 500 tons. In 1808 Hay sold 103 tons at £14-14/- a ton, once more to Poly of Leeds.⁵² At this point kelp provided a large part of some estates incomes. However that was a good year and by 1814 prices fell to £5-5/- a ton, and the costs of production rose to 60% of the selling price.⁵³ James Hay claimed that he made a large loss speculating on kelp at this time. Kelp production continued in Shetland although at a lower level and was still

being produced into the 1870's. Kelp was most important during the Napoleonic wars, and was a significant factor in the growth of estate incomes at this time.

LIVESTOCK

Cattle had always been important as far as the Shetland tenant was concerned. Rarely eaten, a tenant's cattle provided a way of paying off debts and rents, and in years of famine they were sold to buy meal. The milk, butter, meat, skins, and bones were all of value. Balfour believed that the security and well-being of the tenants lay in the number of cattle they reared.⁵⁴

Yet there is no evidence that they were reared commercially, that is for southern markets, until the late 1810's. Before that time they were slaughtered locally and the beef salted and the hides sold separately. The export of live cattle was begun sometime in the 1820's but did not become really feasible until the introduction of a regular connection with Aberdeen in 1838.

The only point of interest concerning the development of trade in sheep is the lack of any. All the interest in Shetland wool in the 1790's had led to nothing, and the wool was still wasted on making poor quality stockings which were worth less completed than the wool itself. It was estimated that Shetland wool when made into a stocking fetched only 6d per pound but, that the actual wool was worth 5 shillings per pound.⁵⁵ Due to the effects of scab sheep numbers declined throughout this period (see chpt.4)

SHETLAND TRADE: EARLY 19TH CENTURY

The structure of the Shetland economy at the beginning of the nineteenth century can be seen in the table below, taken from the calculations of Arthur Edmondston in his history of the Islands published in 1809. This is the basic structure of the trade on the eve of the developments of the 1810's and 1820's. The continuing importance of the fishing industry in the economy is clear but so is the increasing significance of external employment in the whaling and the Royal Navy for the total value of trade.

TABLE 3

EDMONDSTON'S CALCULATION OF SHETLAND'S TRADE: EARLY 19th CENTURY

EXPORTS	
Sea Products	
1,075 tons ling, tusk, cod @ £18-10/-	£19,887-10/-
45 tons saithe @ £10	£450
300 barrels herring @ £1-7/-	£405
900 barrels fish oil @ £2-10/-	£2,250
500 tons kelp @ £8	£4,000

	£26,992-10/-

Livestock Products	
200 barrels of beef @ £2-10/-	£500
3 tons tallow @ £60	£180
400 hides @ 10/-	£200
20 tons butter @ £50	£1,000
Livestock	
150 horses @ £3	£450
100 cattle @ £3	£300
50 sheep @ 10/-	£ 25

	£2,655

Knitwear and Skins	

Stockings, gloves etc.	£5,000
Calf, rabbit, otter, seal, feathers	£232-2/-

Net Total	£34,879-12/-

Wages and remittances:	
Greenland Whaling	£7,000
Royal Navy	£3,500

	£10,500

Straw manufactory	£2,340
Volunteers and sea fencibles	£3,600
Sales to Royal Navy etc.	£1,000
Profits from freights from Shetland ships	£1,000

Net Total	£18,940

Gross Total	£53,319-12/-

Imports	
2 Regular trading sloops 7 trips each to Leith	£25,100
freight	£595
Goods by other vessels (not Leith)	£4,000
Grain and meal	£8,000
Flour, barley etc.	£3,000
200 tons coal	£200
500 tons salt	£625
freight	£600
Wood, boats etc from Norway	£1,800

Gross total	£43,920

Balance surplus in Shetland's favour	£9,399-12/-

source: Edmondston 1809 vol.2 pp.20-23
(after Smith, H.D. 1984)

It is impossible to check many of these figures. The amount for the straw manufacturing seems very large, indeed it remains one of the mystery industries of the early nineteenth century Shetland economy. It was first introduced in 1802 by a London gentleman and lasted until about 1820, and at its height employed some 200 women in "factories" in Lerwick and Dunrossness. Its profitability could solely be due to the low cost of the labour of Shetland women, since the straw was imported and the finished goods were exported. Similarly the figure for knitwear seems

somewhat large; at this time Shetland woollens were still of poor quality. It would have been helpful if Edmondston had provided more detail on the cargoes of the trading sloops, for this figure seems too great to be only goods for the fishing or indeed clothing and household goods and it must include further foodstuffs. The remittances to: whalers, sailors, fencibles etc., show how important wages were to the expansion of Lerwick's retail trade and thus the general trade of the Island. Shetland certainly was doing well out of the conflict. However the surplus is very much an illusion since the calculations do not include the costs of smuggled goods, which would have come to a figure of many thousands.

GROWTH OF LERWICK

One of the most important changes in Shetland at this time was the expansion of Lerwick. Through most of the eighteenth century Lerwick's population had remained fairly stable with a population of 600 to 700. From the 1790's the population grew rapidly, as shown in table 3.

TABLE 4
POPULATION OF LERWICK: 1791 to 1821

year	population
1791	903
1801	1,400
1804	1,500
1809	1,600
1819	1,929
1821	2,224

sources: Irvine, J.W. *Lerwick* Lerwick: Lerwick
Community Council 1985 pp. 64-65
Census 1821

There are many reasons for this growth. The wars had led to an expansion of employment in whaling and the navy which in turn had helped the expansion of retail trading in Lerwick, as had the establishment of a military garrison at Fort Charlotte. The general conditions of the wars aided the merchant and retailer and there were many retail shops in Lerwick (possibly as many as 57 40). With merchants being involved in a wider range of commercial activities and at a higher level so the concentration of activity in Lerwick increased. There were now occupations open to Shetlanders which meant a separation from the land: for men jobs at sea or in the Lerwick shops or even as tradesmen, for women in the strawplaiting or as knitters or even in service for the merchants and the gentry living in the town.

Between 1800 and 1819 there were seventy new houses built in Lerwick. Of which: 37 were for merchants (which probably includes retail shopkeepers), 18 for "country gentlemen", tacksmen etc., 8 for tradesmen and seamen, and 7 for public officials and professionals. 58 The number for "country gentlemen" is interesting suggesting that they no longer felt it necessary to live on their estates and that they wished to enjoy the pleasures of Lerwick society. The Hays were important in this growth, between 1788 and 1805 they built 12 houses (plus 59 shops and a wharf) at a total cost of £3,354. This investment in new buildings was in itself a cause and effect of the growth of Lerwick. New houses gave employment to tradesmen and reflected the demand for housing in the town, and at the same time the availability of houses attracted people to the town. Lerwick was then at the turn of the century a thriving community,

but crowded along the seashore, dirty and insanitary. Still this was a remarkable period of expansion for the town, and it was not to experience anything similar until the herring boom of the 1880's/1890's

THE STRUCTURE AND ORGANISATION OF THE HAYS' COMMERCIAL ACTIVITIES

As we have seen from the above the Hay family were active in every area of trade and commerce over a period of three generations. They organised their economic interests in the typical form of the times. This mainly meant that the whole range was under the control of the individual, who looked after all aspects of the business, from the lowest daily routine to the long term decisions. Such activity was structured around family and personal contacts, which were crucial for supplying capital and credit as well as spreading risk. When necessary they formed partnerships for individual commercial "adventures", or in the buying and operating ships, which called for large financial investment and were relatively risky.

As the range of activities increased and diversified and the scale of the operation grew, a more sophisticated form of organisation was required. This was mainly done by splitting the retail trade from the rest of the business. The Hays had a large and generally profitable commercial retail business based in Lerwick. They employed clerical assistants to help run the shop; Charles Ogilvy had been an assistant in the early 1780's, but as it expanded they preferred to use partnerships. The scheme was for each partner to invest some capital in the stock with the member of the Hay family acting as a sleeping partner.

This allowed them to concentrate on the wider commercial business, and by the late eighteenth century James Hay was spending a large part of the year away from Shetland doing business in the south. In such cases the other partner would run the store and have a share in the profits in relation to their original investment. Part of the retail business normally included buying and shipping country produce, and in the late 1810's cattle became an important export. The reasoning behind having partners rather than employees was not just to spread risk and increase capital, for by this time the Hays could easily afford to operate by themselves, but that a partner sharing in the profits would be more inclined to work harder for the joint venture than an employee would. To this end the Hays formed a series of co-partnerships over a long period of time, and the table below lists them with the partners and their dates. It clearly shows the range of their commercial contacts in Shetland, and the way in which they used their capital to establish businesses, the labour being supplied by the other partner. The shares reflect the initial investment in stock and the division of the profits. The overlap in companies shows that they were able to be involved in many different commercial and mercantile activities.

TABLE 5

CO-PARTNERSHIP COMPANIES FORMED BY THE HAY FAMILY

dates	title (where known)	partners	shares
1784-1786	James Hay & Co.	James Hay	3/4
		Charles Ogilvy	1/4
1797-1800	Hay & Hughson	James Hay	1/2
		John Hughson	1/2
1803-1806	Balfour Spence & Co.	James Hay	1/2
		Balfour Spence	1/2
1808-1811	Hay & Mouat ?	James Hay	5/6
		James Mouat	1/6
1811-1821	James Hay & Son	James Hay	
		William Hay	
1815-1821	William Clark & Co.	William Hay	2/3
		William Clark	1/3
1821-1842	The Shetland Bank(1)	William Hay	1/2
		Charles Ogilvy Snr.	
		John Ogilvy	1/2
		Charles Ogilvy Jnr.	
1822-1842	Hay & Ogilvy(2)	William Hay	1/2
		Charles Ogilvy Snr.	
		John Ogilvy	1/2
		Charles Ogilvy Jnr.	

notes:(1) the bank was run as an extension of the partners other business activities and followed the same pattern

(2) the company went through several changes, in 1826 C. Ogilvy Snr. transferred his interests to his sons and at the same time William Hay brought his own commercial business into the company, in 1830 John Ogilvy left the partnership.

source:NLS acc 3250 Hay of Hayfield b.84
(details of partnerships) plus accts,
correspondence from all collections

The above shows the extent of the Hay's commercial activities. An important new period began in the early 1820's with: in 1821 with the founding of the Shetland Bank, and in 1822 and the forming of Hay and Ogilvy. This consolidated the advances made by James and William and now through one company the Hays were to dominate the development of the Shetland economy for the next twenty years.

THE SHETLAND BANK

If there is any one indicator of the growing complexity of the Shetland economy and of the increased commercial confidence of its controllers, then it is the establishment of The Shetland Bank in 1821. Banking represented the height of commercial sophistication at that time, and was seen as a way to develop the local economy, overcoming the problem of acute shortage of finance. This problem of finance was regarded by contemporaries as a great hindrance to the economy, particularly as the economy began to expand in the early nineteenth century. There were ever increasing demands made on the financial organisation of the local economy which could not be met by the existing system.

Like so many of the developments in the Shetland economy the establishment of a bank was swimming against the tide of the general Scottish experience. The number of banks in the lesser burghs had fallen; of the eight in 1810 there was only one independent left by 1826.⁶⁰ There were only two new banks founded in the 1820's, the Shetland Bank, and the Arbroath bank. Such banks were responses to local factors outwith that of the rest of Scotland, in particular to the needs of an expanding economy. There was a slow build up to the establishment of a bank in Shetland, the original impetus being the general lack of finance in the economy throughout the eighteenth century which became acute in the nineteenth.

Shetland had suffered through much of its history from a shortage of money to carry on its external and internal trade. The islands were major importers of foreign coinage through the

trade with the Dutch herring fishers, and in its many contacts with foreign ports. However the islands were also a major exporter of money to pay for its imports of foodstuffs, particularly with Orkney, one of the few places that would accept foreign coins. In international trade there had not been too great a problem when most of the trade had been centred on Hamburg, where exchanges could be made in accounts and balances carried forward to the next year. However with the shift in the fish exports to the Mediterranean, via southern merchant houses, and increased commercial contact with Scotland through Leith, Shetland became part of the international system of bills of exchange. As the organisation of exchange became more complex there was greater need for financial sophistication. This developed into a requirement for the lairds and merchants to have accounts with Edinburgh bankers. The Hay family had had an account with Sir William Forbes since at least 1781, as did some of the lairds. From 1787 they also had an account with Forbes main rival, Mansfield and Ramsay & Co.. Then with the expansion of wage labour, with substantial numbers of Shetlanders in the Navy or at the Greenland Whaling there was a further requirement for the import of significant amounts of money. With the developments in the herring and cod fisheries in the 1810's the need for finance grew. Among those most active in the Shetland economy the need^{was} for a secure source of local finance both for the carrying on of trade and for investment capital in the new industries. This seemed the obvious answer in an economy that had been starved of capital.

The first indication of the increased sophistication of locals in using banks and of the rising financial needs of the islands was in the Hays links with the Commercial Bank. ⁶¹ Almost from its very conception the Commercial Bank established a close relationship with Shetland, through the Hay family (operating as James Hay & Co.). The bank was interested in having its notes as the main circulating medium in the islands. William Hay claimed that he was "solicited by several of the directors" to act for them, and he was to be employed as their representative in the islands, on a salary of £70 a year. Hay was to inject the Commercial banks notes into the economy and to return the notes of other banks to the Commercial Bank. To cement this relationship Hay bought four £100 shares in the Bank. Soon the notes of the Commercial Bank were the main medium of exchange within the islands with between £11,000 to £12,000 in circulation. To maintain this high level Hay received regular shipments of notes: in 1811 £6,000 worth of pound and guinea notes, in 1812 it was £7,000, in 1813 it was £5,500 worth, and in ⁶² 1814 (only up to July) it was £4,000.

The knowledge and experience gained with working with the Commercial Bank, seems to have given the Hays the inspiration for establishing a local bank. In 1815 William Hay first put forward the idea of a Shetland bank which would be successful if the lairds and the merchants would join together:

...if the principal proprietors and merchants in whose credit the public would have the fullest confidence. ⁶³

As Hay saw things the main problem facing the country was the lack of a ready source of credit, necessary for the expansion of

the trade and industry of the islands. But this was difficult given the isolation of the islands from the main financial centre. A local source with the full backing of all the main local figures would provide a secure and stable local currency.

These ideas ruminated for a few years, then in 1819 the Shetland Society took up the challenge. In 1819 a detailed outline of proposals for the bank was written by Arthur Nicolson.⁶⁴ Like Hay, Nicolson argued that a bank would not only be beneficial but necessary for the economy. For support he called upon the authority of Adam Smith:

To show that these results are not the visionary anticipations of a sanguine mind, I need only refer to the great authority of Dr. Adam Smith.

That writers Book 2d chap 2 of his Treatise on the Wealth of Nations, after stating what might be expected from Theory to be the Consequence of the establishment of Banks - informs us that about fifteen years after the institution of the Glasgow Bank, the trade of that town was doubled - and that the trade of Scotland had quadrupled since the establishment of the two chartered Banks in Edinburgh...

If so a great and sudden an effect was produced by two Banks in a great kingdom; it appears to me very probable that the effect on the trade and industry of a small Community, would be more speedily apparent, as well as more permanent.⁶⁵

The plan was immediately taken up by the Shetland Society and a "committee appointed to prepare a scheme for the regulation of the proposed Shetland Bank", was formed in July; consisting of Arthur Nicolson, William Mouat, and William Hay, showing a great deal of unity in vision for the development of the islands between laird and merchant. The first two mentioned were landowners, and Mouat had one of the largest estates in the Island.

The Bank was to have capital of £20,000, in transferable shares of £100 each. It was to commence business on reaching

66
£10,000. However nothing came of the scheme or the committee. The reasons why are not entirely clear, and perhaps the scheme was just too ambitious and there was not £20,000 available within the economy to invest in a bank. Possibly at this time interest was in investing in the herring or cod fishery.

William Hay did not give up on the idea and in 1820 he in co-partnership with the Ogilvy family established the Shetland Bank.
67 This was much smaller than the ambitious scheme of Nicolson. The original capital was only £2,000, later increased by a further £2,000 in 1825. The original amount was invested in equal shares by William Hay and Charles Ogilvy senior. Ogilvy further divided his holding between his two sons, John and Charles. The founding of the Bank was shortly followed by the same partners establishing the firm of Hay & Ogilvy. The Shetland Bank never truly operated separately from the other business interests of the partners. It did issue its own paper money up until 1828, after which it used the notes of the Royal Bank. In total there were some 8 to 9,000 pounds worth of notes issued.

The financial organisation of the Bank was less than strict from its beginning. It mainly made advances to Hay & Ogilvy to finance their fishing and trading business, and it also lent heavily to the partners individually. In 1842 William Hay personally owed £6,974-12/7, and Charles Ogilvy Jnr. £5,444-9/7, most of which had been used to buy land. The accounts of the Bank were not kept separate from that of Hay & Ogilvy after 1830, and were not even balanced after 1834. The partners, however, continued to pay themselves from the assumed profits of the Bank.

For the years 1825 to 1828 (inc.) they paid themselves £100 annually; in 1829 it was £75, this rose to £250 for the years 1830 to 1838 (inc.), and in 1839 it was £150.⁶⁸

HAY AND OGILVY

With the advantage of hindsight we can see that the forming of Hay and Ogilvy in 1822 was an important date in the economic history of Shetland. It was the culmination of the economic efforts of two families who had worked closely together for nearly forty years. The company was to go on to lead the economic development of the islands for the next twenty years, building on the advances already made by James and William Hay in trade and fisheries and on William and the Ogilvies in banking.

Hay & Ogilvy was established in 1822 with as partners William Hay, Charles Ogilvy Snr., and his two sons John Ogilvy, and Charles Ogilvy Jnr., and with an original capital of £2,400. The capital invested and the shares were divided equally between Hay and the Ogilvy family. To finance the expansion of the company the capital was increased to £6,000 in 1825.⁶⁹ As already noted there are few records remaining of the firm since on sequestration the company records were sent to the interim factor. There would be a complete thesis in those records alone. What records we do have of the importance of the company are given in the following chapters. Suffice to say that the company was the largest in the islands having a virtual monopoly on external trade and being the most important establishment in the herring and cod fisheries, as well as all forms of general mercantile trade and commerce. Something has been said of the

close contacts between the company and the Shetland bank. (for
69
details on the collapse of Hay and Ogilvy see chpt. 8)

THE HAY ESTATE

James Hay proved to a successful trader, merchant and smuggler, and his family fortune grew. Over a period of some forty five years actively involved in the commerce of the country he built up a large estate. His son William increased this to make it one of the largest in the islands rivalling most of the lairds. The Hays were propertied men with extensive holdings in property in Lerwick as well as owners of land. This section looks at the structure of the Hay estate, how it grew and how it changed in form and content.

James Hay had a tendency to emphasise his losses rather than his profits and successes. Although he had several significant losses in his trading and other activities his general wealth tended to grow throughout this period. Through calculating his wealth we can see the slow capital accumulation that was going on in Shetland. Hay was to take advantage of his increased wealth to invest in a series of projects, some successful, others failures; he also made more conservative investments in land and property. There are several estimates made by Hay of his total wealth, in 1787 he valued his estate at £4,000; by 1810 he reckoned that it was between £15,000 and £20,000; by 1840 the estate was worth
70
£45,000 to £50,000.

A good indicator of the wealth of James Hay is that of his savings in banks and credits with merchant houses. These reveal a good depth of financial stability and a high liquidity. The

figures for the 1780's are poor but for 1791 to 1807 they are almost complete, and therefore give a good picture of his economic position during the Napoleonic wars.

TABLE 6

JAMES HAY'S FINANCIAL POSITION:
1781 to 1807 (to nearest £)(1)

YEAR	BANK /COMPANY				TOTAL (2)
	FORBES	M & R	GIBSON	OTHERS	
1781	264				264
1783	400				400
1785	610			790	1,401
1787	498	408			906
1791	1,239	500			1,739
1792	1,359	1,009			2,368
1793	1,276	1,094			2,369
1794	1,275	290			1,566
1795	1,326	830			2,156
1796		742			742
1797	1,020	1,019			2,039
1798	990	2,796			3,785
1799	1,029	1,530	657		3,216
1800	1,020	2,000		1,000	4,020
1801	1,051	1,742	2,254	750	5,697
1802	1,098	2,137	953		4,189
1803	953	2,129	1,035		4,126
1804	274	1,235	638	1,117(3)	3,265
1805	330	1,200	3,128	1,117	5,765
1806	414	1,279	2,735	2,900	7,328
1807	457	820	1,846	1,446	4,618

notes:(1) This is primarily current and circulating accounts and are for the end of the year.

(2) any difference is due to rounding of figures.

(3) this was for £2,000 of consolidated @ 3% sold in 1809 for £1,345. Hay had bought at 57/58 and sold at 67.5

abbreviations:

Forbes = Sir William Forbes & Co. bankers in Edinburgh

M & R = Mansfield Ramsay & Co. bankers in Edinburgh

Gibson = George Gibson & Co. of London

Source: various accounts in
SA Hay of Hayfield and
NLS acc 6250 Hay of Hayfield

This of course only reflects his liquidity, and as such is only part of the the family's wealth, for there were numerous other factors to take into account; and fixed capital investment in

land, houses and shops and ships, the capital tied up in the extensive shop business.

Another good indicator of the growing wealth of the Hay family was their ability to advance money to other people in Shetland. This was usually to cover debts or to make other investments and were covered by heritable bonds on the landed estate of the creditor. It was standard for interest to be paid on the bonds, usually of four percent. The table below gives details for 1783 to 1837, with the date when the money was advanced and when it was cleared if known and also the security given.

TABLE 7

ADVANCES MADE BY THE HAY FAMILY 1783-1837

year	cleared	amount	by	security
1783	?	£105	W.Scott of Scottshall	Property Lerwick
1793	1813	£150	T.Sandison of Bunes	34.5 merks Yell
1801	1815	£501	R.Ross of Sound	104 merks
1807	1817	£2,120	G.Gifford of Busta	117 merks (1)
1810	1811	£500	J.Ross of Quarff	Property Lerwick
1812	1814	£650	R.Ross of Sound	94 m.+ more land
1826	?	£100	J.Murray	Property Lerwick
1837	(2)	£3,000	A.Gifford of Busta	much of G's estate
1837	(3)	£500	J.Yorster	Property in Lerwick

notes: (1) transferred to William Hay in 1814, then to Charles Ogilvy Snr. in 1817, then to John Ogilvy in 1828.

(2) William Hay and Charles Ogilvy Jnr.

(3) William Hay and Charles Ogilvy Jnr.

Source: SRO Sasines

If we compare these two tables, we can see that the Hays were generally successful in their business activities, their growth in financial security and ability to advance money reflect this. The other indicator of their wealth is investments in land and property.

PROPERTY AND LAND

The Hay family invested greatly in land and property, as would be expected since land provided security in an insecure world. Land provided rents and as security for borrowing land also gave status and power in a rural society. This section looks at two aspects of the development of the Hay estate; the investment in property in Lerwick, and the creation of a landed estate. These culminated in the Hays being among the largest property and landowners in Shetland by the early nineteenth century. As such their propertied estate reflects their growing wealth from their various mercantile activities.

On leaving Catfirth James Hay soon settled in Lerwick and as his wealth grew so he invested in property in Lerwick, not only buying property but also building houses and shops. The table below gives details of Hay's purchases and building up to 1813 with the cost and estimated value, and where relevant the annual rent. This clearly shows the extent of capital that James Hay was accumulating over this period, and if we compare it to the other tables given above we can get a rough idea of the success of his various "adventures". Hay was always ready to moan about his losses, these tables suggest that he was more successful than he claimed.

TABLE 8

JAMES HAY'S PROPERTY IN LERWICK 1787 - 1813
(prices/values to the nearest £ sterling)

year	bought/built	details	cost	value(1)	rent
1787	bought	house and shop	211	500	24
1788	built	house	98		6-10/-
1789	built	house	88		6
1790	bought	house and shop	105	350	20
1794	built	own dwelling house	670		
1797-1800	built	4 distinct houses	415		29
1801	bought	house and shop	435	500	20
1801-1805	built	3 distinct houses	448		27
1803	built	house	35		3
1805	bought	little shop	24	50	5
1805	built	house and wharf(2)	1,600		
180?	bought	house & wharf	750	1,000	40
1813	bought	house	200	250	12
			5,080	6,004	192

notes: (1) estimated by J.Hay given where different from cost
(2) this is Hay's loadberry now the Queens hotel.

source: NLS acc 3250 Hay of Hayfield. "other items" 108 personal cash book

This was a great period of growth in the population of the parish of Lerwick and Gulberwick, which rose from 1,254 in 1793 to 1700 in 1801 a percentage growth of 35.5. Lerwick itself probably grew faster since it appears that the rural population of Gulberwick appears to have remained stable (see above). Hay's interest in property in Lerwick was both cause and effect of this expansion, for increased population required more housing and the availability of rented accommodation attracted people to the town. It was Hay's plan (after the failure of the Yarmouth herring adventure see chapter 7) that Lerwick should be developed into a fishing town and to this end he built houses for those willing to leave their crofts and come to Lerwick. He complained in 1806 to the Government that taxes, in particular

window tax, were too high and that the rents for the houses
71
barely covered the taxes.

The Hays continued to invest in Lerwick, although there are not as good details as there are for the early period. The Freefield docks were first begun in the 1810's, although no records remain. In 1816/1817 William Hay established Hayfield near Lerwick consisting of a large house and several parks. About the expense of which his father wrote:

I observe if you have thrown away money on Hayfield then I ken other fools beside you, altho' not to the same extent.⁷²

Hayfield rivalled the country houses of the lairds in size and splendour. The rental value of the property of Lerwick was a large part of the total estate rental. In 1825 for total property in Lerwick (including property occupied by William Hay) the rental was £441 (plus a further £68 for Hayfield). In 1827/1828 this had risen to £524, and for 1828/1829 it was
73
£554.

Property in Lerwick was important but only one part of the family estate. Under both James and William, the Hays built up a large landed estate. The first William Hay had purchased 4.5 merks in Westsandwick (Yell) in 1755, and in 1761 had built a house on the hill land (also to be used as a booth for the
74
fishing). In 1791 this was assigned to James. This remained the only landed property they owned until 1809 when James bought 88.5 merks in Tingwall, including house and garden, from the creditors of the estate of Walter Scott of Scottshall. This was the foundation for the estate at Laxfirth where James Hay retired to after the misfortunes of 1814. In 1817 this was extended by

buying 176.5 merks from the heirs of Peter Innes, mainly in Tingwall but also Weisdale and Gulberwick. This was under burden of £3,000 which the Hays paid 4 percent until they paid of the capital. £1,000 was cleared in 1825 and the further £2,000 paid off in 1829. Although they concentrated their purchases in Tingwall the Hays also bought land in Yell and Northmaven, 3 merks and 22 merks respectively.

The general growth of the estate can be seen from the cess returns, which show the following progress:

TABLE 9

GROWTH OF HAYS' LANDED ESTATE

1816	273 merks (1)
1817	275.5
1818	275.5
1819	288.5
1820	295.5
1821	299.5
1822	314.5
1823	338.5
1824	361.5
1825	399.5
1828	438

notes: (1) this includes 20 merks of Mrs Smith's land in Whalsay, she was James' aunt.

source: NLS acc 3250 Hay of Hayfield b39 f3
Cess payments.

In the valuation returns of 1825 the landed estate of William Hay was the tenth largest in the islands. In less than twenty years and excluding their property in Lerwick the Hays had become major landowners in Shetland, whose estate and personal wealth could match all but the very largest of the lairds. The rents for Tingwall (including small amounts of land in Whiteness and Weisdale) were for 1825 £410, and for 1826 £426, and in 1828

£483-10/-.

Given that the Hays' estate was so large, the manner in which the estate was run is important. James Hay having given up his commercial activities into the hands of William spent the rest of his life looking after the estate in Tingwall from the house in Laxfirth (he became known as Hay of Laxfirth and William became Hay of Hayfield). This gave James his opportunity to be involved in farming improvements. As early as 1813 the idea of establishing a farm at Laxfirth was mooted and by 1816 James had⁷⁶ made some advance towards this. A friend wrote from Banff saying:

I rejoice to hear from several hands that you are doing wonders on your farm, but I fear it will be long before it makes you rich however it will amuse you in the meantime & set a good example to others. 76

At this point in time the farm was not more than a couple of parks rather than a full well organised farm.

One other advance that the Hays made was the giving of leases to the tenants of large holdings. In 1827 John Meldrum agreed on a 10 year lease for 58 acres of ground at Laxfirth for £10 a year (plus 15 chickens), and William Grant had a 9 year lease on 4 parks at £1 an acre. Both were required to follow⁷⁷ rotation of crops as part of the lease. In the mid 1830's William employed a John Swann at the farm at Laxfirth and one of his duties included the teaching of 5 course rotation to the tenants. However he had difficulty in getting the tenants of⁷⁸ smaller holdings to accept the system. The next development was the formation of sheep farms, and to this end there had been divisions of several of the rooms in Tingwall and the laying out

of sheep runs in the 1850's.

It was not only the Hays who were becoming richer in this period, and for comparison it is worth looking at one of the most important of the landed families, the Mouats of Gardie.⁸⁰ In the 1825 valuation the Mouat landed estate was the largest in Shetland. It was concentrated in Bressay, Yell and Unst. The Mouats were among the most economically active of the Shetland lairds and were their natural spokesmen and defenders of the Zetland Method. The value of the estate was estimated at £4,030 in 1777, and by 1817 this had risen to £40,838, which made it more valuable than the Hay's estate at that time. Annual income had grown from £250 in 1777, to £2,250 in 1814, and fell to £1,800 in 1817. This probably gives a slightly inflated figure of the extent of the growth since 1777 was a poor year being in the depression of the 1770's. Still the value and the income of the estate had grown considerably over the period of time.

The estate benefitted greatly from the price rises during the Napoleonic wars. In particular a valuable contribution came from the great rise in kelp prices, which was of importance in years of poor fishing catches. 1804 to 1807 were good years for kelp as were 1809/10 when it was nearly half of the year's income. Among other items Mouat invested his money in property in Edinburgh. He had a half share along with two of his nephews on 2 houses in St. James Square, for which he paid £925 in 1807. The Mouat family continued to play a central role in the economic development of the islands.

CONCLUSION

This chapter has surveyed the changes in the trade of Shetland from the 1770's until the 1810's and examined the important role played by the Hay family in these developments. It has also looked at the growth of the wealth of the Hay family. By the end of this period they were significant owners of property as well as having capital available for further investments in new areas of production (chpts. 7 and 8). When others discuss the role of merchants in the Shetland economy they virtually mean the Hays. James Hay was the single largest buyer of fish and general trader he was also the most important smuggler for nearly forty years. Merchant is used here in its true sense. And as we will see in the following chapters the Hays were in the forefront of every economic development.

Shetland went through some important restructuring of the organisation of its trade over this period. It is suggested that this restructuring was instrumental in a shift of control of trade from lairds to merchants. However at this time this did not develop any further. Individual merchants did not introduce new forms of organising production in the islands. At this time the main form of production remained the haaf and dried fish was still Shetland's largest export (see table 3). There had therefore been a restructuring in trade but not a fundamental change in the organisation of Shetland's economy and society. It is to these changes of the 1810's to 1830's that we now turn.

NOTES AND REFERENCES

1. The references to this chapter are limited, this is for two reasons. Firstly much of the context of the chapter is the result of the assimilation of many hundreds of letters, accounts, notebooks, memorials etc., from all the Hay papers (see chpt. 1 for a note on sources), and as such it is often difficult to give on reference from an impression gained from such a wide range of sources. Secondly, by the very nature of the chapter, to give full references would call for a section as large as the chapter itself.
2. NLS acc 3250 Hay of Hayfield b.46 f.3 Memorial to the Vice-Admiral of Orkney & Shetland by Jas. Hay n.d (but for 1813)
[NLS acc 3250 Hay of Hayfield hereafter given as NLS op cit]
3. MacDougal Hay, J. Gillespie. Edinburgh: Canongate 1979 (originally published 1914) Gillespie is the greatest Scottish novel on the theme of the development of capitalism.
4. Smith H.D. Shetland life and Trade. 1550-1914 Edinburgh: John Donald p.64 In the early part of this transition some lairds did deal directly with southern merchant houses, although this did become the norm. Thomas Bolt is an important (if shadowy) figure in Shetland history, he was an important merchant and minor landowner, he appears to be the, on the one hand the precursor of the Hays, but on the other he was fully intergrated into Shetland society as an equal of the lairds. We need more information on him before his full importance can be assessed.
5. NLS op cit b.89 f.1 Correspondence, accounts etc. between Jas. Hay and J. Richardson & Co. (of Perth) 1777/78, correspondence with Robertson & Ronald (of Leith) June to Sept. 1777. To reduce competition for Shetland fish Hay wanted R. & R. to come to an agreement with Watson (of Leith) a major buyer of Shetland fish.
6. NLS op cit b.4 f.1 J. Richardson & Co. May/June 1779, Feb./Mar 1781. b.83 f.1 Shipping note 26/Oct./1779 (for Blau & Co.). Details of fish bought b.89 f.1 fish accounts.
SA Hay of Hayfield. General accts of fish bought 1780, 1782, 1783.
[SA Hay of Hayfield hereafter given as SA op cit]
7. Goodlad, A. Shetland Fishing Saga Lerwick: Shetland Times 1971 table 4:6 p.122
8. SA op cit Jas. Linklater to Jas. Hay 17/Oct./1782
9. Smith, H.D. (1984) op cit p.69
10. NLS op cit b.3 f.1 Gregory & Guille (of Barcelona) to Jas. Hay 6/Dec./1786.
11. NLS op cit Gregory & Guille Aug.-Oct./1786
12. SA op cit Gregory & Guille [sent via J. Richardson] 30/Jan./1779
13. NLS op cit b.5 f.2 Alex Hunter to Jas. Hay n.d. (but for 1787) SA op cit Mague & Brown (of Lisbon) to Jas. Hay 18/Feb./1797
14. SA op cit Jas. Hay to Col. Thomas Dundas. Letter book 1781
15. SA op cit Samuel Anderson & Co. (of Edinburgh) to Jas. Hay 6,7,/Nov./ 1781

15. continued.
Jas. Hay's accounts with J. Richardson for cargo by the Eindraught to Naples. Hay had a quarter share in the cargo.
16. SA op cit copy of letter Jas. Hay to Urbanus Flon (of Faro) 21/March/1785
17. NLS op cit b.89 f.2 Account J.R. Richardson & Co.
18. SA op cit Letter book 1786/87
19. NLS op cit b.5 f.2 R. Steel to Jas. Hay 5-29/Dec./1786, 5/Feb./1787
20. SA op cit A. Turner to Jas. Hay 25/June/1803
21. Hay was had dealings with the Norwegian merchant Dan Issacksan of Christiansand. SA op cit 5/Feb./1805
22. On the union of Ireland with the rest of Britain (1801) the export bounty of 3/- per cwt. ended.
23. Goodlad, A. (1971) op cit calculated from table 4:6 p.122
24. SA op cit Jas. Hay to A. Turner 5/March/1788, Jas. Hay to Mague & Brown (of Lisbon) 18/Feb./1797
25. These prices have been calculated from an extensive number of accounts, notebooks, business correspondence etc.
26. Smith, H.D. (1984) op cit pp.80-81
27. ibid p.81
28. SA op cit J. Crauford to Will. Hay 18/April/1766.
NLS op cit b.1 f.2 Accounts for spirits and tobacco, W. Hay with others . May/1766
29. SA op cit Jas. Hay (written from Hamburg) to J. Crauford & Co. 20/June/1777
30. SA op cit Acct. Gideon Gifford April/1777
31. SA op cit J. Richardson & Co. to Jas. Hay 29/Oct./1777
32. NLS op cit b.82 f.1 paper titled A short history of smuggling in Shetland from forty years bygone. Jas. Hay 1807
33. SA op cit various from R. Steel (London) & Geo. Gibson (London & Rotterdam) 1783
34. SA op cit Correspondence and accounts etc., Geo. Gibson (London & Rotterdam) 1785-1787, 1791-1793.
35. NLS op cit b.4 f.1 Accounts with Alex Greig 1798
36. NLS op cit, b.4 f.1 and SA op cit Accounts with Alex Greig 1799
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38. SA op cit Geo. Gibson to Jas. Hay 2/May/1804
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40. NLS op cit b.9 f.2 Geo Gibson to Jas. Hay 5/Feb./1803
41. SA op cit Accounts and letters. Jas. Hay jointly with Will. Ogilvy 1804/1805
42. NLS op cit b.18 f.3 Letter to Jas. Hay
43. Smith, H.D. "Smuggling Days of Long Ago" Part II New Shetlander 108 1974 pp.9-10
44. ibid p.11
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46. Smith, H.D. (1974) op cit p.10
47. ibid p.11
48. SA op cit Chas. Ogilvy to Will. Hay 2/Mar/1819
49. Smith, H.D. "Smuggling Days of Long Ago" Part III New

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50. SA op cit Accounts, shipping notes. Don 1813-1814
 51. SA op cit Accounts of crews wages. Brothers 1803
 52. NLS op cit "other items" c47 Jas. Hay to R. Hunter of Lunna 9/Dec./1781. R. Hunter to Jas. Hay 25/Oct./1782. c110 Jas. Hay notebook 1808/9 SA op cit Jas. Hay to R. Strong 8/Oct./1813
 53. NLS op cit b.95 f.2 Accounts of the tack of Delting 1814
 54. SA Hay & Co. (NRA 0650) Rental of the lordship estate 1772 with narrative Written by William Balfour p.69
 55. SRO Seaforth Monuments GD 46/13/112 Report of the committee of the Highland Society on the subject of Shetland wool 1790 p.2
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 60. Checkland, S.G. Scottish Banking: A History, 1695-1973 Glasgow: Collins 1975 pp.314-315
 61. SA op cit A brief narrative of the Commercial Banks Connection with Shetland through the mediation of Jas. Hay & Son there dated 22/Feb./1813
 62. SA op cit Accounts and correspondence with the Commercial Bank.
 63. SA op cit Jas. Hay to [] (rough copy) 1815
 64. SA op cit (copy of) A. Nicolson to Will. Mouat 18/May/1819 Nicolson goes into great detail (10 pages) about the establishment of a bank. Will. Mouat was the secretary of the Shetland Society.
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 66. SA op cit Minutes of the committee appointed to prepare a scheme for the regulation of the proposed Shetland Bank. 13/July/1814.
 67. SA op cit (rough draft of) Partnership for Shetland bank n.d.
 68. NLS op cit b.78 f.1 Correspondence & papers connected with the Bankruptcy of Hay & Ogilvy 1841-1842
 69. *ibid*
 70. NLS op cit & SA op cit Private correspondence and calculated from estate at time of bankruptcy of Hay & Ogilvy see also note 68.
 71. NLS op cit b.81 f.2 Memorial to Lord Henry Petty 15/July/1806
 72. SA op cit Jas. Hay to Will. Hay ?/1817
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CHAPTER 6

SHETLAND AND THE GREENLAND WHALING INDUSTRY:1780-1872.

"The course of the whale fishery should.....reflect the industrial rather than the demographic history of Europe."1

The whaling industry was one of the major avenues through which Shetland was integrated into the general course of British industrial development. This chapter sets out to evaluate that process and to analyse its effects upon the Islands' society and economy from the 1780's to the 1870's.

It is somewhat surprising that there has been no serious study of Shetland's position in the whaling industry considering the importance it has had in the historical experience of the islanders. Perhaps the romantic vision of hardy sailors is preferred to detailed academic research, the former lives on in the memory of the people, the latter in the ledgers and account books of the local merchants. This study is primarily based on research of one of the major mercantile families, the Hay family, who were actively involved in the whaling industry. Unhappily theirs is the only extensive contemporary local mercantile source that has survived, and any conclusion must keep this serious limitation in mind.

Whaling was basically an industrial pursuit, and its growth and decline were directly related to wider industrial needs. The main product of the whale was not its meat but its oil, and to a lesser extent its bone. The oil was primarily used as a substitute for rape seed oil in the textile industry, where it

was used to clean wool before spinning. It could only be used for low quality cloths and was commonly used for military uniforms, the demand for which expanded throughout the eighteenth century. Local whaling industries often grew up around local manufacturing needs, such as Peterhead and Dundee first for the linen industry and later for the jute. Other uses for oil was for lighting both in private and for public, and London, Birmingham and Hull were all light by oil. Oil for soap had been common in the earlier period of the industry. And the bone was renowned for its use in the fashion industry.

The Greenland whaling industry was crucial in opening up Shetland to the British economy, in aiding the development of a cash economy, in expanding the economic base of the islands, and in the weakening of the existing social organisation of production. The islands' main role in the industry was as a supplier of labour, which it did right up until the demise of the British industry in the 1960's. During that period of time many thousands of Shetlanders sailed in the whaling fleets, in both the Arctic and Antarctic. This chapter concentrates on the period that saw the establishment of the industry in Shetland and the form it took in its first 80 or so years of operating. The fact that Shetland was a supplier of labour had significant effects within the islands. It meant that there was a conflict of interest between laird and the whaler agents, for the lairds wished to retain their control over the labour of their tenants. This was further related to the general availability of labour within the economy. The result was that conflict over labour was

the result of variable factors which were often localised. It would be fair to say that up until the end of the Napoleonic wars the lairds were generally against their tenants going to the whaling, after which the opposition was more in relation to specific local conditions. The whaling led to a great influx of money into the economy which helped the growth of the retail trade in Lerwick (and with it general trade). The growth of relationships based on cash helped in undermining the relationship between tenant and laird. In more general terms it also increased the available capital within the economy for future investment not only for merchants but also for some individual tenants.

EARLY HISTORY

Although the English Arctic whaling industry had been established from the sixteenth century, it was not until the latter part of the eighteenth century that it intruded into the life of the Northern Isles. In the earlier part of the century there were various mentions of using Shetland as a possible base for the whaling industry. In 1706 the Earl of Morton, at that time the Earl of Zetland, floated a joint-stock company, of which a part of the capital was to be used for the whaling. Given the extent of his Shetland interests it can only be assumed that he would use the islands.² Gifford writing in the early 1730's mentions that there had recently been a plan by a whaling company to establish; "Lerwick as a most comodious port for lodging their stores...and for...melting their oil".³ Nothing seems to have come of these plans, and it was not until later in the century that the relationship between the industry and the islands becomes

clearer.

THE LAIRDS AND THE WHALING INDUSTRY

Over time, the attitude of the lairds changed somewhat towards the whaling industry, depending on their particular economic circumstances. In the early days they were basically against the industry, "that vile trade" as one referred to it, since they regarded it as an intrusion into their realm of control. The antagonism was based on the need of the lairds to control the labour of their tenants. During the labour shortages of the French wars there was extensive friction between laird and agent. However the expansion of the whaling after the end of the Napoleonic war only led to one known case of dispute, that was however quite a remarkable one (see below). In general then the attitude of the lairds depended on the specific circumstances of the local labour supply for the haaf fishing.

In the early period the lairds feared that the Greenland whaling would break their control over their tenants and therefore the haaf fishing. Furthermore it also posed the threat of merchants acting as agents for the whalers, and thus being able to replace the lairds as sources of credit and gain a foothold in controlling labour and production. However in the crisis conditions of the 1770's and 1780's the whaling was an attractive prospect providing a secure income at a time when the fishing was poor and the tenants' were in debt, as long as the laird could remain in control of the tenants labour. The landowners were well aware of these threats and of the potential of the whaling, their response to them is given in an insightful document titled:

Proposals for furnishing the English Greenland fleet with men⁴
from the Islands of Shetland (dated 7th of January 1781).

This document provides us with a wealth of both direct and indirect information on social relations and the organisation of production in Shetland in the late eighteenth century. Basically the proposal sets out to guarantee a regular supply of low cost labour (compared to the wages of English seamen) to the Greenland whalers if the owners will contract to deal directly with the landlords and not operate through the merchants. The lairds were to be left in control of the selecting and paying of⁵ the men. A related letter sets out in detail the number of men that would be provided by each landlord and area, in all totaling some 825 men, with the proviso that they could easily supply twice that number if the demand was great enough. This was certainly an ambitious plan and was worked out in some considerable detail. The main selling point that the lairds emphasised to the shipowners was the regular supply of cheap labour, which would reduce running costs not only by paying the Shetlanders less money than English seamen, but also from the savings from only requiring a skeleton crew to and from Shetland to the home port.

A possible problem for the carrying out of this scheme was the complex set of regulations for the receiving of the bounty, which set out the size of crew in relation to the ships tonnage, and this crew were required to muster in the ship's home port, thus limiting the numbers they could pick up in Shetland. The lairds hoped to overcome this by getting the regulations changed allowing the ships to rendezvous in Shetland and receive the full

customs' certificates necessary for the bounty.

The lairds were making it clear that they intended to remain in control of their tenants, and that they were not prepared to allow freedom of movement, indeed they would do all in their power to stop their tenants from taking up positions in the Greenland ships unless the owners agreed to the lairds' scheme:

"The landmaster having no means of procuring his rents but by fish from his tenants...he will surely then never permit his tenants to enter onboard a Greenland Ship, for he can restrain them by contracts".⁶

Some lairds had forcibly impressed into the navy tenants who had, in previous years, gone to the whaling and were prepared to so again.⁷ Likewise the Sheriff Court records show that the lairds were able and prepared to use the courts to restraint their tenants from sailing.⁸

The lairds wanted to control the supply of and the selection of the men as well as paying them their wages, could be held by the laird against any outstanding debt. The landlord was to receive 45/- per man per month, and he was to decide the rate that each man was to receive be it more or less than this amount. They stipulated that the shipowners were not to deal with the Lerwick merchants, whom they obviously saw as a direct threat to their control over their tenants. The agreement was to be solely between the landlord and shipowner since:

This will cement the connection betwixt the owners and the landmasters, who will all have agents in Lerwick if they are not there themselves, for in general they much dislike the Lerwick merchants acting for their tenants, who deduct round sums for their commission, and it is not to be supposed that they have the interests of the landmasters tenants at heart.⁹

Not that the laird necessarily had the interests of his own

tenants at heart either. This whole scheme has behind it the desire for a stable and regular income, rather than the precarious earnings from the fishing, which depended on many external factors outwith the control of the lairds (or anyone else for that matter). Besides the obvious problems of the elements and market conditions there were also internal problems brought about by a crisis in the organisation of production. There was a "Malthusian" crisis in the islands as population outstripped resources which was at least partly due to the policy of the lairds themselves.(see chpt. 4)

The crisis had seen an intensification of the haaf fishing. This had led to a serious problem of overcrowding of the fishing grounds with a decline in the average catch. The lairds recognised that a reduction in the number of boats fishing would not lead to an equal decline in catches, indeed that such a reduction would result in an increase in average catches and a greater return on capital:

The Gentlemen would divide their tenants equally betwixt the Greenland and ling fishing, which would produce a considerable number of men for the Greenland trade... and would divide the Gentlemens risk and loss and chance of gain to better purpose, and it is a well known fact that the fewer Boats which ply the ling fishing on any part of the Coast their success is always greater.¹⁰

In the light of these factors the possibility of alternative employment for their tenants in the whaling industry was attractive to the lairds, as long as they controlled the whole range of commercial activities of the trade. Since rents were relatively low and the laird received the greater part of his estates' income from the produce of his tenants labour, therefore control of that labour was vital to the laird. Furthermore the

existing form of fishing had reached, by this time, what could be termed its "ecological" peak of some 500 boats and employing 3,000 fishermen. From then on as population continued to rise, both alternative employment could be opened up as well as the fishing continuing at its high level.

These documents are the product of commercially minded men who were well aware of their economic position and the operation of trade, and of the need within the context of the crisis within the economy to secure income and reduce the indebtedness of the tenantry. It was an ambitious plan and it would be intriguing to know the response of the whale ship owners. What is known is that the lairds failed and that the future of the Greenland trade in Shetland lay in the hands of the merchants and not the lairds. Some were not prepared to give up without a fight as they saw the increasing encroachment on their tenants.

In 1793 one laird Thomas Mouat, a major landowner in Unst, felt strongly enough about the loss of tenants to the whaling ships to send a petition to the Commons. In normal years only 5 to 10 men went from Unst, but in 1793, 27 men went, apparently encouraged by an envious neighbour of Mouat's.¹¹ In this petition Mouat sets out the evils of "That Vile Trade", separating sons from their families, servants from their rightful masters, and when they returned they lived off the labour of others giving nothing in return, but most importantly that they did not go to the summer fishing:

Those ships arrive in Bressay Sound and in Baltasound in Unst, about the middle of March, and seduce and carry off servants from their masters, children from their parents and even tenants from their possessions without any regular intimation being given, and tend a deaf ear to the remonstrances of landlords, masters of families and parents, who object to such unwarrantable proceedings...

This evil is the more clamant in that those young men who are thus seduced having remained as burdens on their masters or parents during the preceeding winter (in which nothing they can be employed in can compensate the expense of their maintenance) desert, at the very time when there is most occasion for their services in the labouring the ground, the season for which just commences about the time those Greenland ships arrive; thus their masters and parents are left destitute of assistance...and the fishing, in the summer the principal object of this country, is consequently sacrificed...they or some of them return in autumn when there is little use for them at home, after having imbibed the vices and dissipation of their late comrades, who are in general the lowest class of tars, and often without a penny in their pockets. Instead of being useful members of the community, they sow discontent and set examples of idleness and dissipation among the natives and tempt their acquaintances to embark in the same line of life.(emphasis mine)¹²

Mouat's greatest fear, his tenants no longer fishing for him, had to be guarded in the moral language of the effects on the family.

During this period the number of Shetlanders allowed to go to the whaling was limited by legislation.

Indeed as Jackson writes; "as late as 1793 the Board of Trade refused to allow Shetlanders onboard whalers".¹³ This suggests that a substantial number of Shetlanders were already going to the whaling on a regular basis. This was later¹⁴ relented on and 3 Shetlanders per 50 tons of ship were allowed.

One reason why the Government wished to limit the number going was to maintain the Islands as a supply of "recruits" for the Royal Navy. Shetland had long been a source for the Navy, and many hundreds had fought in the previous wars of the 18th

century. It was claimed that some 900 had fought in the Seven Years War, and some 2,000 had been in the navy and merchant service during the American War.¹⁵ Throughout the Napoleonic wars the naval impressment ship was a common sight off the shores, and many stories have been passed down about their actions. The whaling industry was one of the very few trades that the men were protected from being impressed, harpooners and other skilled men were exempted from all forced service,¹⁶ ordinary seamen only from February until the end of the voyage. The fear of impressment was such that the ship owners even distributed advertisements stating that; "full protection is guaranteed for Shetlanders employed in the Greenland fishing".¹⁷ This of course did not stop the Navy from impressing whalers. In March 1804, Thomas Francis and Peter Pole, both of Papa Stour, wrote to Hay saying that they were afraid to come to Lerwick to join their whaling ship because they had been impressed but had managed to escape.¹⁸ In 1810, 10 out of the 19 Shetlanders onboard the Prince of Brazil (of Hull), were impressed near the end of their voyage.¹⁹ Therefore it can only be assumed that the Government wished to keep Shetland as a ready supplier of "recruits" for the Navy, and at the same time increase the number of experienced sailors in the home ports.

The demand for seamen for the whaling declined towards the end of the century, which probably reduced the pressure on labour supply in Shetland. The number of active whaling vessels declined; from 250 in 1787/88, to an annual average of 97 in the years 1790-94, and to 61 in the years 1795-99 (the tonnage and crew size remaining the same).²⁰ After this the number of ships

was to increase despite the higher costs of fitting out during the war as the prices of oil and bone rose. So did profits and the risk became worthwhile. From an annual average of 84 during 1800-04, to 97 in 1810 and to 147 in 1815.²¹ This combined with the relaxation of the regulations on the number of Shetlanders allowed to go to the whaling and matters became potentially worse for the lairds, together with the large numbers of Shetlanders in the Royal Navy. And it is at this point that the conflict between laird and whaling agent intensified due to the labour shortage. It is estimated that in the early 1800's there were annually 600 Shetlanders at the whaling; Sir Walter Scott wrote²² that this had risen to 1,000 by 1814. As Edmonston wrote in 1809:

In their efforts to obtain men for the ships which they supply, they frequently disappoint the Cardholders in their fishing schemes, and as the prosecutions of the one is deemed to be incompatible with the other, this opposition of interest gives rise to endless jealousies between them ...the heritors ... (urge) that the Greenland trade is prejudiced to the morals of the people, and they wish to put a termination to so injurious a system. 23

Generally matters improved on the ending of the war as the returning sailors increased the locally available labour. However for one laird, Arthur Nicolson of Lochend, the problem had become worse and matters had reached a head by the mid-1820's, when the industry was at its height in the islands. He set out in writing a detailed list of his complaints against his tenants in Fetlar with suggestions on how to improve their damaged²⁴ relationship. Nicolson's complaints were written in such a way as to appeal to what he saw as a traditional Shetland way of living, where the tenant was a combination of farmer and

fisherman and the laird looked after the best interests of all; the interests of tenant and laird were the same. However, much to Nicolson's dismay many of his Fetlar tenants were going to the Greenland whaling, thus rejecting this way of life. The document is effectively an ultimatum, stop going to the whaling and return to fishing for him or be evicted:

...all those persons, whether tenants, tenant's sons, or others, residing on my property in Fetlar, who are in the habit of going to Greenland, will have to decide forthwith upon either becoming altogether Sailors or betaking themselves to such occupation as the place admits of [farming and fishing]. For, such as go shall not on any account be received again in their present abodes. 25

Nicolson threatened his tenants with the establishment of a sheep farm which would; "more than triple the income of the proprietors".²⁶ A sheep farm would require the clearing of the land. However many of his tenants did not heed his warnings and choose the hard life as a whaler then the idyllic pastures described by Nicolson. This is still remembered, and one person recently described the event in the following way:

the men had had a meeting among themselves, and they said, "Now men look here. There's plenty of money to be made at the Greenland whaling fishing. And we're going with...we could tell the landlord the land lord he could take his land, and keep it and we're going - to where we can make more money." [they then went to Nicholson] "Well you go in and tell Sir Arthur we're gathered here today to tell him that we're not going to fish for him, we're going to the Greenland fishing...And that was the end of (the fishing tenures). After that they paid their rent.

But the rents were not enough:

(Nicolson) found that he wasn't making a lot of money from the rents. He would like more. So what he did...Well he evicted about forty or fifty crofters off the rich land. And brought in sheep, black-faced sheep and cattle from the Highlands of Scotland, and he kept sheep and cattle. And he did think he made more cash out of this. And so he would.²⁷

Nicolson then proceeded with the first major clearance in
28
Shetland. This turned out to a slow process and dragged on
until the 1840's. Fetlar is one of the most fertile of the
islands in Shetland and at the time had a population of over a
thousand. This was to rapidly and consistantly fall throughout
the rest of the century, with the largest decline
(proportionally) of any area.

This goes some way in showing the importance of the whaling
industry in changing the attitudes of some of the lairds. The
Shetland landowners had always been commercially minded so they
were able to respond to the changing social and economic
conditions in the late eighteenth and early nineteenth centuries.
These changes made the older forms of production less viable and
alternatives more attractive. Those that argue that the coming
of the market economy was not until the late nineteenth century,
seem to consider the existing system of production as being pre-
29
market. However it was certainly commercial and based on sound
economic sense considering the historical position of the
islands. Shetland existed within certain, quite serious,
constraints; geographical, social, economic and historical.
Within these constraints the existing methods were entirely
"rational". The whaling industry brought new pressures to bear
and with them new possibilities, but also new limitations, which
had a profound effect on the development of Shetland.

THE MERCHANTS AND THE GREENLAND WHALING:

THE HAY FAMILY

One social group certainly made substantial gains from the whaling industry, the local merchants who were primarily based in the town of Lerwick. Their success in securing the position as agents for the ship owners, thus acting as intermediates between the latter and the Shetland seamen meant that they could improve their placing in the islands' social structure. Their success can be explain in terms of the needs of the ship-owners, for they were more flexible than the lairds and had wider commercial experience and contacts particularly in the commision trade. These social and economic networks that linked the merchants with the wider commercial world are important for the establishment of the trade. An example of this is the Hay family, who had by the late eighteenth century an extensive set of international commercial connections through which the family organised their business dealings.(See previous chapter) Of greatest importance for the whaling industry was their relationship with the merchants of Hull, and we can see in the increasing role of Shetland as a supplier of seamen a direct correlation with the rise of Hull as the main whaling port of Britain.

As we have already seen by at least the 1770's (and earlier) there were whalers regularly calling at Shetland for crewmen. By 1781 James Hay was using the returning Greenland ships to carry produce back to their home ports. Also in 1781 he was in regular correspondence with several of the Hull merchants, including Hugh Kerrs and Robert Bell both involved in the whaling trade. In 1781 Hay sent a cargo of kelp to Hull and in 1783 he shipped a large

cargo of fish oil, some 40 tons (Hull was a major market for
oil).³⁰ In 1784, Hay was even contemplating buying shares in a
whaler since the returns seemed to be so good, although he was to
change his mind and invest this money in a "herring adventure".³¹
After this there is a break in the records concerning the whaling
industry in Shetland, and it is not until the 1790's that we have
concrete evidence of the Hay family's involvement as agents.

This involvement was once more with Hull men, in 1796 Thomas
Barmby wrote requesting Shetland seamen for his ship the
Samuel.³² From 1796 onwards we have a much clearer picture of
the number of ships and the number of Shetlanders on them,
although it is clear that Shetlanders had sailed on Hull whalers
for several years previously. As Robert Bell, a well known Hull
whale owner wrote in 1797:

Mr Fea informs us you have frequently supplied our ships with
men in this way.³³

Mr Fea was a native of Shetland. These business connections were
reinforced by close personal contacts, suggested by the tone of
the business correspondence, and Hay made regular trips to Hull.
Both Thomas and Robert Bell helped him in finding apprenticeships
in Hull merchant houses for two of his sons; Andrew and William,
as well as his nephew, Laurence Smith.³⁴ These close contacts
tended to strengthen Hull's place in the early nineteenth century
as the major employer of Shetland seamen. This led to the
establishment of a tradition, where it was said that the
Shetlanders preferred to sail on Hull and Whitby ships over
others, and that the conditions were better and that they worked
well with the Hull seamen.³⁵

The other main port for whaling at the end of eighteenth century was London, and the figures tend to show that for some years at the turn of the century that city often supplied more than Hull. It is not known if this is caused by the dearth of data or if it reflects London's then dominant position. Certainly from the 1760/70's Shetland had had increasing trade and contact with London merchant houses. This was part of a wider and more general shift of the main markets for Shetland produce from Protestant Germany, centred on Hamburg, to the Catholic Mediterranean based on Barcelona.

Table 1 shows for the the first 10 years that we have records for both the number of ships and the relative importance of Hull and London.

TABLE 1

NO. OF WHALING SHIPS: WITH MAIN PORTS OF ORIGIN
(Hay acting as agents) 1796-1805 inc.

YEAR	TOTAL NO. OF SHIPS	NO. FROM HULL	NO. FROM LONDON
1796	1	1	--
1797	3	1	1
1798	5	1	3
1799	8	4	4
1800	5	1	4
1801	6	1	5
1802	6	4	2
1803	5	5	--
1804	11	10	--
1805	3	3	--

source: NLS ACC 3250 Hay of Hayfield.
SA Hay of Hayfield.
SA Hay & Co (NRA 0650).

This includes some of the most well known whalers, from Hull: the Blenheim (1804) the Egginton (1798, 1799), the Emperor (1804), the George & Mary (1804, 1805), the John (1799, 1803,

1804), the **Manchester** (1805), the **Minerva** (1797, 1799, 1801, 1802, 1804, 1805), the **Samuel** (1796, 1803, 1804), the **Sarah & Elizabeth** (1804), the **Traveller** (1802, 1803, 1804) the **Truelove** (1799, 1800, 1802), and the **Williamson** (1804). From London the **Dundee** (1801), the **Inverness** (1797, 1798, 1799, 1800, 1801), the **Ipswich** (1798, 1799, 1800, 1801, 1802), the **Nancy** (1798, 1799, 1800, 1801), the **Unicorn** (1797, 1798), the **Vigilant** (1799, 1800, 1801, 1802).

These are the earliest records that we have of ships with details of crewlists etc. rather than the vague comments in correspondence. It needs to be kept in mind that there were other merchants acting as agents for the trade, however their records have not survived. Neither can we be too sure of the completeness of the Hay family papers. It would therefore be best to be cautious about either the general trends or the validity of the actual numbers of the whalers coming to Shetland, although we can be more certain about the later dates as there are other sources of information. Furthermore there is a large gap of some 20 years in the Hay records on the whale trade, between 1825 and 1844 (the last year that we can be sure is complete is 1824). This break is so long that it is best to treat the two periods as effectively separate, the first as an early period which saw the establishment of the whaling industry in the Shetlands, and the second, later, period as that in which the well established industry operated with a long tradition of Shetland involvement and participation behind it. This means that the depression of whaling from the mid-1820's is not covered and

therefore we are unable to assess the effect of this on the Islands. It is this earlier period that will be dealt with in greatest detail, since it deals with was the original introduction of the industry which had the profound effects on the local society and economy.

Table 2 shows the number of whaling vessels for a thirty year period, 1796 to 1825, and shows a significant rise in the last ten years and the continuing importance of Hull.

TABLE 2

ANNUAL NO. OF SHIPS (5 year averages), WITH NO.
FROM HULL: using Hays as agents. 1796 to 1825 inc.

YEARS	AVERAGE TOTAL ANNUAL NO. (5 yr. averages)	AVERAGE NO. FROM HULL (5 yr. averages)
1796-1800	4.4	1.6
1801-1805	6.2	4.6
1806-1810 (1)	2	1.75
1811-1815	5.8	4.8
1816-1820 (2)	9.25	7
1821-1825 (3)	14.8	12.6

Source: NLS ACC 3250 Hay of Hayfield.
SA Hay of Hayfield
SA Hay & Co (NRA 0650)

NOTES:

- (1) No data for 1807
- (2) No data for 1819
- (3) The data for 1825 is both partial and suspect. The last year that can be regarded as complete is 1824. A four year average would give: 16.5 and 15 respectfully.

Again we cannot draw too many conclusions from these figures, since they may merely reflect the increasing involvement of the Hay family in the whaling trade, for they could be taking over business from other agents, or they had specialised in Hull ships, with the other agents dealing with other ports. However it does seem certain that there was a general rise in the number of ships calling at Shetland for supplements to their crews. There are a

few years for which we have the total numbers of ships calling at Shetland; in 1818 there were 34, in 1819 there were 43, and in 1821 this had risen to 66. By 1837 the number had fallen back to 24 reflecting the depression in the industry. The expansion of trade and the labour shortages brought about by the war led to an increased use of Shetland (and Orkney) as a source of sailors:

The six years after 1812 were the years actively engaged in by British ports, and it was not always easy, so large was the number of British ships, for each to obtain her complement at these northern ports.³⁸

As we have already seen with the scheme proposed by the lairds the Bounty regulations and restrictions are important when considering the extent and form of the industry in the islands. There was a continual dispute between the shipowners, who wanted the Shetlanders, and the Government who wished to restrict their use. At least during the early part of the century when the war was on this was a major reason for limiting the extent. The views and opinions of the shipowners cannot be better expressed as in the two following extracts from contemporary letters, both written in 1803, The first from Chris Briggs, and clearly expresses the advantages of using a Shetland crew, notably their cheapness:

only very few men will be wanted from your place this Season in consequence of (the) Government obliging all ships fitting for the Bounty to full man in England and Scotland, and out of 41 sail of ships for the fishing from this port, all fits for the Bounty excepting three and the Catherine is one. My reasons for fitting her without Bounty which is £300 is I think I can save it in expenses & taking men at your Island if I do it will induce me to send all my three ships the next year on the same plan. As the Catherine taking men at your Island is therefore a Speculation I hope you will to the utmost of your power assist me in it by procuring the men as low as , and at the same time clever active fellows.³⁹

The following is from Robert Bell & Co. of Hull:

The Greenland Owners here [Hull] have at last got leave to take on men at Shetland & Orkney as formerly, for the Bounty but under a promise to relinquish the like claim in future... however so long as the Minerva continues in the Trade we shall constantly want the same number of men [in 1803 this was 12], as the ship took last year which will not be the case with other vessels as they must be full manned from home or give up the Bounty.⁴⁰

It was not until the easing of restrictions on the Bounty, indeed its reduction and final demise in 1824 that we saw a rapid expansion in the Shetland trade, as table 2 suggests, with the trade reaching its height in the mid-1820's.

NUMBER OF SHETLANDERS AT THE GREENLAND WHALING

In 1825 it was estimated that as many as 1,400 men were engaged for the whaling at Lerwick.⁴¹ The standard estimates for the number of Shetlanders involved is normally between 1,000 to 1,500, and it is possible to evaluate how accurate this figure actually is. For 1822, O'Dell gives figures for total number of Shetlanders sailing in Greenland whalers at 516 engaged between the 10th of March and the 6th of April.⁴² In that year the Hay family (in the form of the company of Hay and Ogilvy) were agents for 13 ships, for which we have crewlists for 12, in all totalling some 204 men giving an average of 17 per ship.⁴³ This is a higher than normal average; for the five years 1820 to 1824 (inclusive), for which there are detailed crew lists on out of the 84 ships the company acted as agents for, the annual average per ship was slightly less at 14.66.⁴⁴ This figure of approximately 15 Shetlanders per ship is supported by the longer term evidence from 1797 onwards, with only small variations which would reflect wider labour market conditions in the mother ports as well as

within Shetland. Between 1796 and 1825 the records for 201 ships, of which there are details of the crews for 168 (none for the years 1806, 1807 and 1819), give a total of 2,483 seaman, an average of 14.77 (say 15) per ship.⁴⁵ There were of course variations between years, the lowest annual average being in 1805 with 11.3 per ship and the highest being 1814 with 19.25.⁴⁶

In 1825 there was a total of 110 ships which sailed from British ports to the Arctic whaling, 21 for Greenland and 89 for the Davis Straits,⁴⁷ and even if these all had called at Shetland (and none at Orkney) and had picked up 15 each, this would give a total of 1650, and is highly unlikely. There are some years for which we do know the number of vessels arriving at Shetland. For instance in 1821 out of the 160 at the northern whaling, 66 collected crew at Shetland, and the Hay's were agents for 19 of these.⁴⁸ This would give a figure of almost a 1,000 which represents the highest involvement in the industry. A fair estimate for the annual number of men going to the whaling would be in the region of 600 to 1,000, with 600 to 800 being the most likely figure for average years. An estimate in 1837 gives the number at between 800 and 1,000, but the Shetland Journal of that year records a total of only 24 ships calling into Lerwick for crew, and although the average number per ship had risen, it was not as high as 40 per vessel.⁴⁹ What details that have survived from the 1840's (1844 to 1849) give an average of 21 per ship.⁵⁰ In the 1850's this had risen, with a figure of 25 per ship in 1852, which year also saw the highest number in any one ship, 36 engaged on the Joseph Green of Peterhead.⁵¹ The proportion of

Shetlanders in the total crew rose slightly over this period. The crew of a whaler had barely changed, from approximately 40 at the end of the 18th century to an average of 46 in the 1840's.⁵² This suggests that Shetlanders composed one-third of the crew in the early part of the century, rising to roughly a half by the 1840's.

It is therefore fair to say that some of the estimates of the number of Shetlanders annually involved in the whaling industry have been too high, certainly they were not as high as the 1,400 claimed. It would be closer to the truth to quote a figure of 600 to 800, with 1,000 at its height. From these figures we can get some idea of the proportion of Shetlanders in the total of those engaged in the whaling industry. This can only be a very vague estimate since figures for the whole period are rather scanty. Using the figure from above of an average crew of 45 in ship we can calculate the approximate number of whalers as in the region of; less than 7,000 between 1815-1819, declining to almost 6,000 in 1820-1825, to just over 4,200 for 1825-29, and to just over 3,700 for 1830-1834.⁵³ This would put Shetlanders as being between one-tenth and one-quarter of the total. With the general decline of the Arctic whaling in the early/ mid 19th century combined with the rise in the average number of Shetlanders in the crew, the proportion rose as the total number declined, the proportion reaching its greatest in the 1820's with a quarter of all whalers coming from Shetland (and with a similar number from the Orkney's. If we had reliable figures for the wages of English and Scottish whalers than an estimate of the savings from employing nothern crews could be

given.

This more conservative figure does not mean that the industry was marginal in its effects on Shetland's economy and society, as the following section shows. At its height it employed in the region of one-sixth of the adult male population. This was at a time when the haaf fishing employed some 3,000. One of the most important effects was that of the increasing commercialisation of the economy with greater penetration of economic relations based on cash. The next section goes on to examine the organisation of the supply of labour to the industry in the Shetlands with an emphasis on the effect of the greater introduction of a cash economy on the social and economic structure of the islands.

ORGANISATION OF THE WHALING INDUSTRY IN SHETLAND

The basic form of the organisation of the whaling industry in Shetland, the method by which men were recruited, payed etc., hardly changed over the 80 or so years which this chapter covers. In the early months of the year the shipowners would write to their agents in Lerwick, informing them as to which ships were coming that season and the number of men each ship would require. The agents would then set about raising this number of men, either from people they knew from previous years or by recommendation or from those who had written or asked, requesting a position. Generally despite the opposition of some of the lairds there appears to have been little problem in getting crews. The vessels arrived in Bressay Sound from early March onwards, staying for only a few days while the crews mustered in

Lerwick and for the taking on of stores. They then sailed for the Arctic; to Greenland or the Davis Straits, returning in late July or early August, when the men would be payed off, although it was common for the settling up to take until November, or even the following year if oil money was to be paid. The return of the whalers was greeted with mixed blessings, since the seamen were notorious for their drinking and fighting, as Walter Scott, on his visit to the islands in 1814, put in verse:

Here to the Greenland tar, a fiercer guest.
Claims a brief hour of riot, not of rest;
Proves each wild frolic that in wine has birth.
And wakes the land with brawls and boisterous mirth.⁵⁴

Things often got out of hand and it was common to enroll special constables to control the men in their "brawls and boisterous mirth", even as late as the 1850's.⁵⁵ Scott's claim that those involved were only English seamen needs to be taken with a pinch of salt when the Shetlanders included such renowned characters as "Strong" John Hunter who was "recognised as the champion fighter⁵⁶ in the whole Arctic fleet".

When the men signed on they received a month's wages in advance, paid out by the local agent, and for the length of the voyage their families would receive some money each month (called monthly money). This was credited at the agents and payed out in goods and/or cash as requested. The agents kept detailed ledgers of their accounts with the whalers, and many of the ones kept by the Hays have survived. These give an insight into the operation of the whole system in Shetland.

One of the most significant aspects of the whaling industry was that it was waged employment operating within the context of a

local non-wage economy. This adds another layer of complexity to understanding the working of Shetland economy and society, and goes some way to helping us visualise the way in which different forms of social organisation of production co-exist within the same locality. These are not necessarily contradictory and operate at the level of individuals, in as much as they personally find it not a problem but merely part of their day-to-day existence. As such it is part of their "taken for granted" understanding of their world. It is certainly true that some preferred wage employment over that of fishing for their laird, as we have already seen with Nicholson's tenants in Fetlar. And this relates to the contemporary debate where paid labour is often referred to as "free" labour, which instills into the worker independence and self-respect, a kind of nobility which forced labour cannot achieve.

THE ECONOMIC IMPORTANCE OF THE GREENLAND WHALING

Concerning the rates of pay for Shetlanders in the whaling it is safe to assume that they received lower rates than the other members of the crew, although probably not as low as Jackson suggests.⁵⁷ And this difference may be due to the fact that Shetlanders were generally employed at the lower, less skilled and therefore poorer paid positions. The supply of and demand for labour during wartime forced up the general rate of pay, with a rapid decline after 1815. There was also constant pressure from the ship owners to reduce the wage rates of the Shetland men, combined with regular threats that they would move to Orkney, where they claimed rates were lower.

Table 3 shows the distribution of monthly wages rates for 1798 to 1823, where possible this has been given in 5 year periods, for after 1815 it has been given as a 4 year and 3 year period.

TABLE 3

DISTRIBUTION OF MONTHLY WAGE RATES(in shillings)
1798-1823 inc. (percentage in brackets)

YEAR		RATE			
		20--29	30--34	35--39	40--44
1798-	NO.	16	87	73	106
1804	(1) (%)	(3)	(17)	(14)	(20)
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1805-	NO.	3	25	9	11
1810	(2) (%)	(2.5)	(21)	(8)	(9)
<hr/>					
1811-	NO.	10	48	60	55
1815	(%)	(2)	(10)	(13)	(12)
<hr/>					
1816-	NO.	35	90	142	248
1820	(3) (%)	(7)	(17)	(27)	(48)
<hr/>					
1821-	NO.	135	215	49	100
1823	(%)	(27)	(43)	(10)	(20)
<hr/>					
		RATE			
		45--49	50--54	55--64	65 and above
1798-	NO.	98	101	35	2
1804	(%)	(19)	(19.5)	(7)	(.4)
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1805-	NO.	18	21	29	3
1810	(%)	(15)	(18)	(24)	(2.5)
<hr/>					
1811-	NO.	80	105	90	17
1815	(%)	(17)	(23)	(19)	(4)
<hr/>					
1816-	NO.	3			
1820	(%)	(.6)			
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1821-	NO.	1			
1823	(%)	(.2)			
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NOTES: (1) 8 year period
(2) no data for 1807
(3) no data for 1819

source: NLS ACC 3250 Hay of Hayfield
SA Hay of Hayfield
SA (NRA 650) Hay & CO.

These monthly wage rates show a distinct cleavage between 1815 (the last year of war) and 1816 (the first of peace), and will be dealt with separately and in chronological order.

Although for the period during the war there is a wide range in rates, it is clear that the majority of men received 40/- or over per month. There were general groupings: in 1798-1804 around 40 to 54/- totalling 59% of all men, in 1805-1810 there was a rise to 45 to 64/- (57%), and a similar grouping in 1811-1815 totalling 59% of all Shetland whalers. This is confirmed by advertisements distributed during the wars guaranteeing protection from impressment for Shetlanders employed in the Greenland fishery and stating that; "Mr Hay will pay 40/- to 50/- per month for men/ boys who have never been. (and) 50/- to 53/- for experienced seamen, plus fish money". There is little comparative data to relate these figures to; Bowley gives the wages for an ordinary seaman in 1785 at 27/6 a month, and in time of war this could easily double.⁵⁸ In the 1830's the rates for merchant ships sailing from London were advertised at; for East Indiamen 35 to 40/- per month, for "Private Ships on Long Southern Voyages" the rate was 40 to 45/- per month, and for⁵⁹ "short trips to the Baltic or Quebec" it was 45 to 50/-.

After the war there were major changes in the labour market; with a rapidly expanding supply of men the wage rates fell, this trend continuing well into the 1820's. In 1816-1820, 48% of Shetlanders received 40 to 44/-, but over 51% were paid less. By 1821-1823, 70% received less than 35/-. To compare this to an

earlier time, in 1811-1815 less than 13% received under 35/- a month.

The rate of wages were directly related to the position of the men in the crew hierarchy, which was strictly set down in the regulations of the Commissioners of Customs.⁶⁰ As would be expected most of the Shetlanders, especially in the early years, held lowest positions within the crew, but in time as they became more experienced and when local labour shortages occurred in the home ports, some did rise up to the higher and better paid positions. In 1801 for the three ships which give details of "stations and qualifications"; the Ipswich, Inverness and Nancy (all of London), almost all are defined as Seamen or 'Green' or as having one year's experience, the green men receiving the lowest rates, and so on up the scale. A few however were noted as having three or four years of experience, and a few had risen to more senior positions. On the Ipswich both Laurence Moncreif and Andrew Williamson were Boatsteerers and earning 56/- a month, and John Louther was a Harpooner at 70/- a month. In 1802 on the Ipswich, John Louther was still a harpooner at 70/-, and on the Truelove (of Hull), Francis Johnson and John Smith were both⁶¹ boatsteerers at 66/-.

The monthly rates were only one part of the men's wages and there was a range of other payments which depended on the success of the voyage. The most important of these was "fish money", an amount for each whale caught (by tradition whales were regarded as fish). Again the rate varied from ship to ship and from man to man, with the higher positions receiving the greatest rate. The standard payment was around 5/- per whale, although it was as low

as 2/6 for the *Nancy* in 1802 or as high as 10/6. Depending on the number of whales caught this could make a substantial improvement to the total wages. In 1801 the *Minerva* (of Hull) caught only 2 fish and each crewman only received 10/- in total for their fish money. In 1802, the *Truelove* (also of Hull), caught some 6 fish, and although most were only paid 5/- per fish, two boatsteerers received 10/6 and one man as much as 21/- (position unknown but more than likely a harpooner), which increased their wages by £3-3/- and £6-6/- respectively. Some ships paid "oil money" instead of fish money, which was so much per barrel of oil produced, and there is one example (the *Prince of Brazil*) of a combination of oil and fish money. A few ships also paid "Premium Money", which tended to vary between 15/- to £1, with a range from 5/- to as high as £2.

The other crucial factor in determining the total wages was of course the actual length of the voyage. At the turn of the nineteenth century these normally lasted for 4 to 5 months, from mid/ late March to mid July or early August. As the century wore on the voyages tended to become longer as the ship went further in the search for whales, and as the Davis Straits replaced the Greenland waters as the main source of whales.

Table 4 shows the distribution for gross wages for 1800 to 1823. Two things are clear from this table, that there was a wide range of wages and that there was no one band within which the Shetlanders were paid. If we check this against Table 5 giving the annual average wages for the same period we can see that there were fluctuations in wages, as we would expect. After

1815 this was due to falling wage rates but the successes of the industry in the 1820's saw a rise. Again we should not read too much into these figures given that they are from a relatively small number of observations and that there is no comparative data.

TABLE 4

DISTRIBUTION OF GROSS WAGES FOR SHETLANDERS AT THE
GREENLAND WHALING 1800-1823 (inc.) IN POUNDS STG.
PERCENTAGE IN BRACKETS
AMOUNT

YEAR	under £10	from £10 & under £12	from £12 & under £14
1800- NO.	154	83	70
1804 (%)	(46.5)	(25)	(21)
1805- NO.	27	15	24
1810 (%)	(24)	(13)	(21)
1811- NO.	79	69	110
1815 (%)	(17)	(15)	(24)
1816- NO.	192	87	120
1820 (%)	(37)	(17)	(23)
1821- NO.	144	141	74
1823 (%)	(30)	(30)	(15.5)
AMOUNT			
	from 14 & under 16	from 16 & under 18	18 and over
1800- NO.	11	8	2
1804 (%)	(3)	(2)	(.6)
1805- NO.	17	15	16
1810 (%)	(15)	(13)	(14)
1811- NO.	90	55	61
1815 (%)	(19)	(12)	(13)
1816- NO.	64	19	37
1820 (%)	(12)	(4)	(7)
1821- NO.	38	26	53
1823 (%)	(8)	(5.5)	(11)

source:NLS ACC 3250 Hay of Hayfield
SA Hay of Hayfield
SA (NRA 650) Hay & Co.

TABLE 5

YEARLY AVERAGE WAGES 1799-1823 (to nearest penny)
(5 year averages)

YEARS	AVERAGE YEARLY WAGE
1799- 1804	£10-12/4
1805- 1810	£12-19/-
1811- 1815	£13-15/9
1816- 1820	£11-12/1
1821- 1823	£12-10/6

source as table 4

Just as we have seen a general improvement in wage rates for the war period so there was also a rise in wages, both in average and in the distribution. The post war period saw a concentration at the lower levels of pay: in 1816 to 1820, 54% received less than £12 in gross wages, by 1821 to 1823 more than 60% earned less than this. Before the war (1811 to 1815), only 32% had earned under than this. The improvement in 1821 to 1823 was due to a number of very successful voyages boosting the average figure, with 11% earning over £18.

If we relate these figures to the total numbers of Shetlanders going to the whaling that we estimated above, in the range of 800 with a maximum of 1,000, we can immediately see its value to the economy. It was worth something in the region of £8,000 to

£11,000 a year. The Orkney and Zetland Chronicle in 1825 estimated the value to the two island groups at £50,000, for that year but according to these above calculations this is a major
62
overestimate. Using these new figures we can estimate that in the first quarter of the nineteenth century the whaling added between £200,000 and £300,000 to the income of the Islands. The long term effect of this influx should not be underestimated.

Given this substantial earnings by Shetlanders, it is important to see how this influx operated within the existing economy where cash was at a premium. At first it may seem sensible for the existing system of truck to operate, since this was the traditional way in Shetland. However this does not seem to be the case and the great majority of the earnings were taken in cash. This led to a greater opening up of the local economy, and relations based on cash became more important than before, indeed this eventually resulted in the islands becoming a major importer of cash and some of the merchants, the Hays in particular, developed a degree of expertise in banking matters. In general this aided the tendency for the local economy to become closer to that of Britain as a whole, and in terms of financial and banking matters relations were established with Edinburgh banks which had a long term effect on the economy.

To return to the form of payment, some of the ledgers in which the merchants kept their records of accounts with the Greenland men have survived. They clearly show the means by which these men were paid. Again these are only records of the activities of the Hay family, but it is safe to assume that all operated a similar system. The agent would keep an account for each man,

giving the amounts that were advanced at the beginning of the voyage with the rates of monthly money (normally about 20/-). The man's family could draw on this money while the man was at sea, and they could ask for it in cash as well as goods. At the end of the season the man was paid off in goods and or cash, if he was a regular whaler he might keep the account open until the following season. From Table 6 it is clear that the majority of the wages were given out as cash.

TABLE 6

PERCENTAGE OF WAGES PAYED OUT IN CASH
AND GOODS:1802 /1803 and 1808-1812 (1)

YEAR	CASH	GOODS(2)
1802	63.7	36.3
1803	76.9	23.1
1808	79.5	20.5
1809	78.4	21.6
1811(3)	70.4	29.6
1812	77.6	22.4
AVERAGE 1802/03	68.1	31.9
1808/12	76.3	23.7

source:NLS ACC 3250 Hay of Hayfield
acct. bks for 1802 & 1803
SA Hay & Co Greenland Bks.1808-12

NOTES:

- (1) no data for 1810
- (2) includes ships' slop chest
- (3) details of the Harmony have not been included, as substantial parts of the mens wages were transferred to the account of J. Henderson a Scalloway merchant.

From these figures it would be safe to assume that between two-thirds and three-quarters of all wages were paid out in cash. This figure was to remain remarkably stable, and in the 1850's it was stated that:

The agents reckoned that between one-quarter and one-fifth of earnings were covered by "out-takes"--money for goods in advance with the rest paid out in cash.⁶⁵

These figures are confirmed by details from the 1860's, when in 1867 the Arctic (of Dundee) payed out 77.4% of the wages in cash (£318-14/6 out of £411-14/6), and in 1869 the Narwhal (of Dundee), payed out 83.6% (£255-11/6 out of £305-15/2).⁶⁴

This required a large influx of money into the local economy, as one local merchant who desired to get into the trade wrote to Hay:

The Greenland trade no doubt is somewhat lucrative but it requires a great deal of ready cash, which none but men of capital can raise⁶⁵

By this time (1800) the Hay family were certainly "men of capital". We have seen that whaling wages required the annual import of significant amounts of money into a society that had operated mainly without money. This was in the form of paper money, specie as always was at a premium, and as in other important areas of the development of Shetland, the Hay family were intimately involved. From at least 1811 the Hays, acting as the firm James Hay and Son, had been involved with the recently formed Commercial Bank of Scotland (based in Edinburgh) and their notes had effectively supplanted all other paper currency in the islands. What this money was spent on is only partially known, but can be stated with a degree of confidence.

We know from the account books of the Hays the range of goods that were bought from his shop in Lerwick. Besides the common goods such as oatmeal, a surprising amount was spent on tea, coffee, sugar etc. Tea especially was changing from being a luxury to a necessity of daily use, and the Hays had held a tea

licence from the early 1780's and were major importers from then on. In the Statistical account many of the ministers were already complaining of its common use, that it was enslaving the poor who were prepared to go without their basest requirements for the substance, as the minister of Aithsting wrote:

The general use of Tea, though lately introduced has made a very rapid progress. The poorest family in the parish will not now dispense with it, and will sell their clothes, yea their meal, to purchase it.⁶⁶

It was also common for the men on returning to invest in a set of "Sunday Bests", particularly the younger men, and for the wealthier to buy a watch costing as much as £3-10/-. For many this was the first time they had ever had any amount of cash, and for most it was probably the last unless they were to return each year to the whaling. The evidence in the truck commission suggests that some men went to the whaling for many years, some for over 20, but the turn-over rate is unknown. There are hints in the contemporary literature that there was a division of labour within the family, that the younger men and unmarried sons went to the whaling while the older men stayed at home working their holdings and fishing for the laird during the summer.

For the future economic development of Shetland one of the most important uses of whaling income was to provide the capital to invest in a boat for the cod and herring fishing.⁶⁷ Large numbers of the boats in the early expansion of these fisheries were either individually or collectively owned. In the 1820's at least half of the cod boats were individually owned. This helped provide a wider base to the local economy, the learning of new skills and in the boom years (1820's for the cod and the 1830's

for the herring) good incomes.

It is less clear what the rest of the whalers income was spent on, much of it more than likely ending up as payments of rents to the lairds (it is a commonly recounted that the rents of those who went to the whaling were raised by a guinea and Neil states that in 1805 this was raised to 3 guineas⁶⁸). Some went on the paying off of debts, and also on investing in a share of a boat for the haaf fishing. This then suggests some form of age division, by which some men went to the whaling to be able to pay for future security, but still operating within the same system. And it certainly helped establish the tradition of Shetlanders going to sea, which has continued up until the present demise of the British merchant navy.

SHETLAND AND THE LATER GREENLAND WHALING

Shetland maintained this historical role as a supplier of labour within the context of the structural changes which took place in the whaling industry, after the boom days earlier in the century. The reasons for the decline of the industry were: political, industrial, and ecological. With the expansion of "free trade", import duties declined which led to increased importation of rape seed oil for the textile industry. In the cities, coal gas replaced oil for public lighting. As stocks of whales declined, due to over exploitation, the ships were forced into longer and more dangerous voyages. Many turned to sealing, an easier harvest, but one with none of the romanticism of the old trade. The introduction of "steam auxillaries", from the late 1850's onwards, gave the industry a technical boost. This was

concentrated in Dundee, where whale oil was used in the processing of jute, which put the industry on a solid basis, and led to Dundee becoming the leading whaling and sealing port from the early 1870's. The rise in the price of bone was a further mainstay, and thanks to changes in fashion the price rose from £500 a ton in the 1870's to almost £3,000 at the turn of the century.⁶⁹

These changes saw a decline in the number of ships coming to Shetland, and a shift in the main port from Hull to Peterhead, as Table 7 shows.

TABLE 7

ANNUAL NO. OF SHIPS (5 year averages) WITH NO. FROM PETERHEAD. HAY & CO. AS AGENTS: 1845-1871 (inc.)

YEAR	TOTAL NO.	NO. FROM PETERHEAD
1845-1849	9.8	5.4
1850-1854(1)	12.4	6.4
1855-1859	10.8	7.2
1860-1864	8.6	6.4
1865-1871(2)	7 (3)	2.3(4)

notes:(1)there was a brief revival of Hull ships in the early 1850's

(2)this is a 7 year average

(3)ships which did 2 voyages are counted twice,if only once the figure is 4.6

(4)there were no Peterhead ships in 1867 & 1869

source:SA HAY & CO. (NRA 650)
Greenland Books

For the one year that there are complete figures, 1846, there were 27 whalers coming to Shetland; of which 13 were from Peterhead, and 10 were from Hull. Of these Hay & Co. were agents for 9, Leask & Sandison for 8, and 5 other agents shared the remaining 10.⁷⁰ The wages had barely changed from the turn of the

century; £2 per month for ordinary seamen, and £2-10/- to £2-15/-
for harpooners.⁷¹ The average wages for the period 1869-1871
were £11-13/6 per man per voyage, all of which show a stability
in wages.

From the mid-1860's it became common for ships to make two
trips a season, the first for a short sealing trips, the second
for a longer whaling trip stopping in the Islands each time to
pick up crew. Generally they required less men on the second
trip than the first. In 1866 the *Windward* of Peterhead did two
voyages, after that it was mainly Dundee ships: the *Alexander* in
1867, 1868, and 1869, and the *Intrepid* in 1868, and 1869. Also
the *Erik* of London in 1870, and 1871. These are the last records
of the Hays being involved in the whaling, and in his evidence to
the 1872 Truck Commission William Irvine (a partner in Hay & Co.)
said that the company was about to stop acting as agents for
whaling ships, since the small commission was not worth the
trouble.⁷²

One of the reasons why there was an inquiry into truck in
Shetland was the existence of payment in goods in the whaling
industry. A Board of Trade letter describing the system in
Shetland was described in the first report as a "remarkable
document", which emphasised that the agents made their profits
from the goods that they sold the whalers; and that the men were
tied to agents through advances on future wages.⁷³ Certain
recent Board of Trade regulations concerning the methods of
recruiting and paying of seamen had been broken in Shetland; for
example none of the agents were registered with the Board and as

such were not legally able to hire seamen. In recent years the Superintendent of the Mercantile Marine in Lerwick had enforced the payment of wages in full within 3 days of the ship's return and in the presence of the Superintendent. As late as 1870 the men were paid their wages minus the deductions for goods, advances etc. This was an attempt to break the connection between payment in goods and the men being forced to sign up for the agent who made those advances. This attempt to end the advances of goods on credit was behind the ending of agency work by three of the four companies in Lerwick: Hay & Co., Tait, Messrs Laurenson & Tulloch.⁷⁴

The Commission was correct in concluding that the whaling operated within the existing system of organisation in Shetland which was one of tacit understandings of obligations formed through advances and debts.⁷⁵ The problem was the various functions that one person carried out in Shetland, a combination of whaling agent, merchant, fishcurer, tacksman etc. etc., all within a closed system. The descriptions in the Truck Report are of a system of organisation, and of employment of Shetlanders in the whaling which was virtually identical to that of 60/70 years earlier. The only difference was that it had become part of a tradition of going to sea, a tradition that it had been instrumental in forming, where it was commonplace for men to go to sea. We are perhaps seeing the last generation of Shetlanders that will go to sea to seek their living, certainly the last generation that went to the whaling were the hundreds that sailed on Salvesen ships in the Antarctic right into the 1960's.

CONCLUSION

Shetland was probably as important for the whaling industry as the industry was for Shetland. For many decades the islands supplied a substantial number of skilled seamen at a relatively lower cost than the owners would have had to pay elsewhere. This reduction in costs help sustain the northern whaling industry after the bounty ended in 1824 and in face of the greater productivity of the southern industry. However it was to become increasingly marginal throughout the nineteenth century surviving due to local industrial factors, and technological advances.

As for Shetland the industry, as we have seen above, had significant effects on the development of the islands. The rise in wage labour did more than start a tradition of Shetlanders going to sea for a living. It effectively introduced the men to capitalist social relations (although within the unique context of the "culture" of the ship)-relations based on free labour- not the closed system that they had suffered under for generations in Shetland. This new "freedom" went far in undermining the existing relations with the laird, in at least a few notable cases. We know precious little about the experiences of these men- and time is running out to collect the oral records of those that sailed even in the 1950's.

The industry also had profound economic effects for the islands, and it was a major source of capital, capital which was used to diversify and expand the economy from the 1810's until well into the 1830's. Almost paradoxically behind this veneer of development, this influx of capital helped sustain the

uneconomic division of land in the islands, as income from the whaling was used to pay for rents or saved to buy a share in an open boat for the "haaf". Much more detailed information is needed if we are to know if there were regional differences within the islands, for example the extent to which finances accumulated from the whaling were used to establish Burra and Whalsay as important fishing centres.

For the people like the Hays the whaling industry was a further way of being active in the running of the economy, building up commercial contacts, accumulating capital from their sales in their shops and their commission, and financial expertise from dealing in significant sums of money required to pay the wages. This was part of a wider trend of a more influential role played by the local merchants in the local economy vis-à-vis the lairds. In the later phase of the whaling it is clear that the whaling operated within the existing system of truck, although not to the same degree as the haaf or cod fishery. From the records of the Hay family we have been able to get a look at the importance of this great industrial enterprise upon the history of the Shetlands.

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2. Smith, H.D. *Shetland Life and Trade 1550 - 1914* Edinburgh: John Donald 1984 pp.23-24
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4. SA Bruce of Sumburgh mss D8/149/5 dated 7/Jan/1781 plus related letter D8/155
5. SA D8/155 *Scroll Computation of the number of men Shetland would furnish for the Greenlanders* dated 7/Jan/1781. This letter gives details of the number of men each laird would supply to the whalers. The following were the most important:

John Bruce of Sumburgh	150
Sir Laurance Dundas	100
John Bruce Stewart of Simbister	80
Sir John Mitchell of Westshore	70
Gideon Gifford of Busta	50

Sumburgh's estate was less important for the 'Far Haaf' fishing than the others. Dundas' estate was the largest in the islands but was the most dispersed. Simbister, Mitchell and Gifford all had large estates and were active in the Haaf fishing.
6. SA D8/149/5 clause 3
7. *ibid* clause 6
8. In a society like that of 18th century Shetland traditional and informal forms of social control were more common than using the courts which were expensive, and only used when other means had broken down. The Sheriff Court Records for Shetland show that there were cases brought against those that had broken their fishing contracts but these were few, only a couple a year at most. It was cheaper and quicker to evict a troublesome tenant.
9. SA D8/149/5 clause 7
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12. *ibid* pp 430 - 431
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18. *ibid* Other items 28
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29. Dr Smith suggests this with the titles of sections in two of his works: The World Breaks In Smith, H.D. The Making of Modern Shetland Lerwick: Shetland Times 1977 p.50. The Supremacy of the Market in Smith, H.D. (1984) *op cit* p.156.
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[SA Hay of Hayfield hereafter given as SA *op cit*]
31. SA *op cit* Thomas Wood (of Hull) to Jas. Hay 1/Aug/1784 and 3/Dec/1784
32. SA *op cit* Thomas Barmby (of Hull) to Jas. Hay 20/July/1796
33. NLS *op cit* b.7 f.1. Robert Bell (of Hull) to Jas. Hay 1/Feb/1797.
34. There is an extensive correspondence concerning James Hay's attempts to find good positions for his sons in southern merchant houses. See especially NLS *op cit* b.9 f.1 and b.10 f.1 covering the years 1801 and 1804 respectively.
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CHAPTER 7

DEVELOPMENTS IN THE FISHING INDUSTRY: HERRING

We've got to go ahead. No half measures now.
The money will be flowing like the river. As
one man said in Wick: the creels of silver
herring will turn into creels of silver
crowns.¹

In the *Silver Darlings* Gunn describes the way in which the commercial exploitation of the herring changes the way of life of a people. As such it highlights the way in which natural resources are transformed through human endeavour into commodities. The same endeavour creates new forms of social relations. The herring fishery was for several centuries one of the greatest extractive and commercial enterprises of modern Europe. The great northern herring fishery played an important role in the creation of the modern world economy, and was at the centre of many of the international disputes of the sixteenth to eighteenth centuries.

Shetland, owing to its geographical position, climatic and environmental features, was placed at the centre of this industry for over four centuries. Above all others the herring fishery brought the islands into the ambitions of the major European powers and hence directly into the evolution of the modern world. The Shetlanders were slow in exploiting the herring themselves and it was primarily left up to external powers until the late eighteenth/ early nineteenth centuries.

The creation of an indigenous industry was an important phase in the history of the islands, not the least being that it was under local control. It expanded the economic base of the islands, and it increased the investment in boats and harbour

facilities as well as in new skills. At its height, in the 1820's and early 1830's, the industry gave the illusion that it would establish a new, wealthier, and more modern Shetland. With its collapse in the 1840's, it exposed the inherent weakness of the Shetland economy, especially its basis on redundant form of social relations.

Most of that which has been written about the Shetland herring industry has concentrated on the fishery in the late nineteenth century. This chapter will deal with the historical background to the creation of the indigenous industry in the early nineteenth century, and the important part played by the Hays over a period of more than sixty years in establishing and running the fishery. First to begin with a quick survey of the historical importance of the fishery both to Shetland and to the modern European world.

THE INTERNATIONAL CONTEXT

It was herring which transferred the maritime predominance from the Hanseatic League to Holland and the British Isles. The herring fishery had been the foundation of the Hansa supremacy. The prosperity of Britain, Holland and Flanders has been built up on herrings and wool. 2

Jeudine's statement highlights the importance in a pre-industrial world of the control and exploitation of basic commodities. The control of the produce of the sea has always been of historical significance in economies. None more so than the herring, the control of which, as the above quote suggests, straddled the transition from the old medieval world to the new capitalist world. Shetland was at the centre of that historical development.

Shetland became important for the herring fishing in the fifteenth century when the herring migrated from the Baltic to the North Sea. The fish would appear off Shetland's coasts in May/ June, then they would move down the east coast of Britain. The earlier in the season the fish were caught the better the quality, and therefore the higher price at market. At this time the fish were mainly caught while at sea. The Shetlanders only caught those which swam close to the shore or into the voes, which mainly occurred towards the end of the season. To the locals then before the nineteenth century the herring fishery was much less important than the white fishery.

The German merchants also regarded herring as being of secondary importance to their stockfish trade, but it was still a profitable sideline. Figures for 1629 to 1633 show that on average there were some 270 tons of herring exported annually from the islands to Hamburg. There are no other figures for this period to compare these with, but they do seem rather large. To put these figures into context, they are far behind the Dutch who exported 40,000 tons annually to the Hamburg market.³ At this time Hamburg was one of the major trading cities for herring supplying much of the German market. There is no evidence for a continuous industry in herrings based in the islands and it appears to be generally an opportunistic fishery which helped supplement the more important ling and cod fishery of the islands.

Above all others it was the Dutch who were able to exploit successfully the herring. In the early modern period their catching/curing skills and technological advances combined

with trading knowledge and market penetration of the crucial German/Baltic markets made them virtually unassailable. They also provided the model for the organisation of the fishery that other countries were to attempt to copy for centuries. They helped to create the herring as one of the most important staple foods of modern Europe, up until the beginning of this century.

The technological advances made by the Dutch were the development of the buss in the early 1400's and in the early 1500's the introduction of the large dragnet.⁴ These allowed the Dutch to catch more fish and to cure them onboard. They also developed a superior quality cure. These developments combined with Dutch commercial supremacy, in particular during the seventeenth century, gave them virtual total control of the vast herring industry, much to the envy of other states. The importance of the herring fishery (the Great Fishery - Groote Visscherij - as it was known to contemporaries) to the Dutch economy should not be under-estimated. As a seventeenth century writer commented:

The Dutch catch more herrings and prepare them better than any nation ever will; and the lord has, through the instrument of the herring, made Holland an exchange and staplemarket for the whole of Europe. The herring keeps Dutch trade going, and Dutch trade sets the world afloat.⁵

Wallerstein refers to the salt herring industry as the "Dutch Gold Mine."⁶ The value of the catch was large; at its height it has been estimated at being worth between one and three million pounds sterling annually.⁷ Of this approximately 35 to 40% in value was caught off Shetland.⁸

In mid-June the Dutch busses would gather in Bressay Sound

for the fishing to begin on the 24th of June (St. John's Day). This was of great commercial importance to the islands (see chpt.2) The Dutch had strict codes by which it regulated the herring industry thus maintaining the superior quality of their cured fish. It was this guarantee of quality that effectively excluded the inferior Scottish and English cured fish from continental markets. From then on the fleet followed the migrating herring south down the east coast of Britain to East Anglia, the fish being sent to the markets in fast ships called jaegers. It is almost impossible to give an accurate figure on the number of ~~of~~ busses involved since contemporary propaganda tracts⁹ inflate the numbers with as many as 3,000 claimed in 1633. A more conservative figure of approximately 500 (with possibly more¹⁰ at its height) is probably more accurate.

The very success of the Dutch herring fishery meant that it was a target for attack at time of war. International conflict was endemic during the seventeenth and eighteenth centuries and the Dutch fishery suffered heavily as a result. In 1652 the English destroyed 50 busses and in 1703 the French attacked the fleet in Bressay Sound burning anything between 100 to 400¹¹ busses. These great losses led to the decline of the Dutch fishery in the eighteenth century, although it remained the single largest. Throughout the seventeenth and eighteenth century numerous states, following classic mercantilist policies,¹² had attempted to establish their own fisheries. In the case of Britain these had been generally unsuccessful. By the end of the century, Prussia, France and Denmark all had herring fleets on the Dutch model fishing off Shetland. *which?*

Within the islands there was a growing awareness of the potential importance of the fishery during the eighteenth century. As early as 1718 Thomas Gifford had drawn up a scheme for a local herring fishery.¹³ In the 1730's he mentions that there were plans to use Shetland as the base for a British Herring industry, an idea that was to be revived some 50 years later.¹⁴ In the 1740's Nicolson of Lochend's tenants caught a few herrings.¹⁵ In 1772, Gideon Gifford (Thomas Gifford's grandson) had at least one boat which fished for herrings, as well as receiving them from his tenants.¹⁶ Gifford's tenants fished for the herring late in the season, in November when the quality was poor, the fish having spawned by then (or "spent").

From the 1760's William Hay was dealing in herrings caught by his tenants and exporting them via a Lerwick merchant, James Sillars.¹⁷ Like Gifford's fishing this was seen as a valuable support to the dominant haaf fishing, as we can see from Thomas Bolt's comments to Hay in 1769:

I am glad to see you have any prospect of herrings the miserable ling fishing will require a help.¹⁸

In September of that year some ships were sent from Leith for herrings and William Hay could write "one of which is principally coming for mine".¹⁹ Others besides Hay and Gifford had seen the value of the fishing. In the early 1770's John Bruce of Sumburgh was shipping herrings from Scalloway to Hamburg onboard the Nelly and the Dolphin. He offered Hay 14/- a barrel for his fish (15/- if delivered to Scalloway), an offer his son James advised him to take even though his father had more ambitious plans:

I am afraid you'll be disappointed in your Great Expectations from the Herring Scheme.²⁰

The Hays were never to lose their interest in the herring fishery and James so pessimistic above was to be the first to attempt to establish a proper industry in the islands.

This growth of interest in herring was not independent of conditions in the islands. We have seen that there was a depression in the haaf fishing from at least the late 1760's to the mid 1780's. In the light of the crisis in the local economy the potential of a herring fishery was at long last being recognised. In particular in 1781 John Bruce wrote a long memorial to the government trying to interest them in promoting a Shetland fishery (see chapt.4 for discussion of this memorial). One of the insights of his otherwise rambling plan was that in Shetland small boats could be used, it was not necessary to use large vessels like the Dutch busses:

It is possible that an open boat of four or five tons burden upon the coast of Shetland may catch as many herrings as Vessels of 20 tons and at a much smaller price.²¹

The great advantage of Shetland was that it was close to the most valuable herring and could be used as a home base. There was no need to cure the fish onboard as the Dutch did. This idea was not to be taken up until the 1820's, when it was a great success.

Bruce's memorial is also related to a contemporary debate over the expansion of the fishing industry as a way of developing the Highlands and Islands. Bruce, using arguments similar to that of John Knox but predating Knox's View of the British Empire by three years, tried to get the British state to intervene and establish a Shetland fishery. General interest

was such that in 1785 a Parliamentary Committee was set up to "inquire into the state of the British Fisheries", sponsored by Henry Dundas and under the chairmanship of Henry Beaufoy of Hull. The Committee also included George Dempster of Dunnichen who was concerned with the establishment of a fishery in the Highlands.

The various reports of this committee show that there was a genuine interest in Shetland and several locals put forward reports and schemes. Others connected with Shetland through trade also gave evidence to the committee's hearings. James Hay in his position as a major local merchant was asked to present evidence and was also involved throughout 1785-86 in a lengthy correspondence with George Dempster. The third report of the Committee contains the greatest amount on Shetland (See chpt.2).

In April 1785 William Hay presented before the Committee a "Fishing Scheme" which argued for the establishment of two fishing villages in Shetland, ²² one in Papa Stour, the other in the Skerries, islands to the west and the east of the mainland. In the villages the fishers were to operate within a "free" or wage labour system, not within the fishing tenure as currently existed. The fishers were to be supplied with the boats, nets and other necessary equipment which was to be paid off from the catches. Hay recognised that this would be difficult to introduce in the face of opposition from the lairds but he was optimistic:

If they [the fishing villages] do thrive & succeed, their Nighboor Inhabitants will naturally either throw off the Yoke & resort to them as an asylum...or Oblige their landlords to give them Adequate & Independent terms.²³

Although his scheme was rejected by the Committee he still hoped

that it would be possible to establish the villages and that enlightened self interest would prove to be the great motivator of the lairds, once a scheme had been tried and proven successful:

...if a fair experiment was once made, even with strangers & proved Succesfull. Its probable Our Country Gentlemen from regard to their own Interest (Which methinks should manifestily appear) Would adopt the same Mode or perhaps Improve on it.²⁴

It was to be Hay along with some "strangers" that were to attempt the experiment; unhappily for Hay (and for the future of the Shetland peasantry and the future social/ economic development of the islands) it was not to prove to be successful.

The decision of the committee was that they should concentrate their activities on the West Highlands and not Shetland. Hay did not give up his idea of establishing a herring industry in the Islands. In this he was encouraged by George Dempster, who had put Hay into contact with others who wished to invest in a Shetland herring fishery.

THE NORTH SEA FISHERY ADVENTURE

In February 1786, William Allison & Son of Dundee contacted²⁵ James Hay regarding a proposal to set up a fishery. Hay,²⁶ urged on by Dempster, responded positively. On March theth 20 Hay set out in a "Proposition to the Dundee People" his scheme to establish a Shetland fishery jointly between himself²⁷ and the interested Dundee merchants. However, nothing came of this plan. Then in the summer of that year Hay travelled to Great Yarmouth, at that time the port with the largest herring fishery in Britain. Both George Dempster and Thomas Wood (a Hull merchant) had already suggested to Hay that the "Yarmouth

People" would be interested and willing to take part in a
Shetland fishery.²⁸ By September of 1786 Hay had reached an
agreement with a number of Yarmouth merchants: messrs Manning,
Meek, Walker, and Hoary, (hereafter referred to as Manning &
Co.) to prosecute a herring fishery the following year.²⁹

The "North Sea Fishery Adventure", as the operation was
named, is a "classic" example of eighteenth century
entrepreneurial action, the investment of risk capital in
production in the hope of seeing a profitable return. The
history of this "adventure" is worth giving in some detail since
it not only shows the ways in which businesses were organised in
the eighteenth century, but also the ways in which the
combination of legal restrictions and the following of the Dutch
model eventually led to failure.

The original capital outlay was to be £2,000 sterling, to be
held in twenty shares of £100 each. The Yarmouth merchants
were to have fourteen, and Hay was to have six. Together they
were to fit out four busses of sixty to seventy tons burden and
one yagger to transport the fish to market. Hay was to supply
five Shetlanders for each vessel, as they would be cheaper than
English seamen. The original plan was for the boats to be
fitted out and manned at Yarmouth, so that they could receive the
bounty. So that this could be done, the yagger was to sail to
Shetland in March with the stores for the summers' fishing. It
would pick up the Shetland crew members and return to Yarmouth.
There the vessels could muster for the bounty and then return to
Shetland in April to fish for cod and ling before the herring
season started in June.³⁰ Lerwick was to act as a base for the

boats giving them greater flexibility than other herring vessels.

This already shows the two problems that were to dog the "adventure" throughout, the restrictions of the bounty and the cost of crews. To receive the bounty a ship had to be mustered in its home port in this case Great Yarmouth. The only advantage in using Shetlanders to crew the vessels was their relative cheapness, partly by being paid lower rates and partly by being employed for a shorter time. If they were going to have to be shipped to Yarmouth in March/ April this increased the cost of employing them. This also made it more difficult to get crewmen since they would be required in March when there would be competition for the available labour, from the Greenland Whalers who paid higher wages. Hay was attempting to get men at 20/- per month whereas the Whalers were paying 30/- to 50/- per month.³¹ Hay had problems in getting enough men, so it was decided to send the boats from Yarmouth direct to Lerwick and muster the crews at the Customs house there for the bounty. The four busses were to set sail from Yarmouth at the end of March, to return in mid-September.

The boats first fished for white fish using long lines. Then in June they fished for herrings using nets. The records for the herring catches have survived, but not for the cod and ling. Similarly only details of the sales of the herring have survived and then for 598 out of the total of 715 barrels.

TABLE 1

HERRING CATCH 1787

VESSEL	TONNAGE	CATCH (barrels)
LITTLE BETSY	70	211
SOPHIA	69	163
LITTLE JOHN	66	195
MARGARETTA	64	146

		715

ACCOUNT OF HERRING SALES 1787
(in pounds sterling)

130 Barrels at HAMBURGH	for	163-11/-
40 " " LEITH	for	41--8/3
428 " " LONDON	for	498--4/-
---		-----
598		703--3/3
---		-----

source:NLS ACC 3250 Hay of Hayfield
Box 83 file 2

Overall the first year of the adventure showed a general loss of £216-8/4. This was mainly due to the non payment of the bounty. The Collector of Customs at Lerwick had refused to give the busses licences for the bounty because the ships were from Yarmouth and not from Lerwick. In reply Manning & Co., sent a memorial to the treasury and to their MP, Henry Beaufoy, who one would have suspected to be sympathetic to their cause since he was chairman of the Fisheries committee. However this problem of the bounty was never overcome. The Customs were sticking to the letter of the law, which was proving to be restrictive on such a flexible scheme where ownership was spread between a number of merchants in two ports.

Even given these problems the company still looked forward optimistically to the next season's fishing. Hay was even

considering the building of extensive warehouse and wharf facilities in Lerwick and even of employing some Dutchmen to improve the quality of the cure. However during that year the relationship between Hay and the Yarmouth merchants deteriorated as the problems of getting the bounty paid were not overcome, and the cost of fitting out in Lerwick was greater than first expected. The Yarmouth merchants blamed Hay for both of these problems. There was a further loss that year with extra costs coming to £1,296-9/3.

The fishing was again tried in 1789, but by now there was a split between Hay and the Yarmouth men who no longer wanted anything to do with him. It was decided that if the fishing was not successful that year then the adventure would be wound up. Once more costs at £2,416-9/-, were more than earnings at £1,576. Interestingly that year showed the great potential of the Shetland fishery when the *Yaggar* was able to get to the Hamburg market before the Dutch, and sold 21 barrels for £194-12/9. However the "adventure" was still wound up, a lengthy process which went on until 1791.

The total financial outlay had been in the region of at least £7,500 and Hay complained bitterly of this since no more than £300 had actually been spent in Shetland. He claimed that he had sacrificed his existing stockfish business for the "adventure", and that he had made a substantial personal loss of £1,100 (he was to later claim that it was as high as £2,600).³² Besides being a large financial loss, it was also a major personal setback for Hay and he was to turn his attention away from the herring fishery for almost twenty years. The failure

also reflected the way in which existing state mercantilist policies inhibited particular forms of commercial development. The existing bureaucracy was not able to accommodate the scheme as proposed by this adventure. The bounty system was to aid the establishment of a British herring industry on the Dutch model of large decked vessels of 60 plus tons, which could cure the fish onboard while at sea. Therefore it was paid for tonnage of vessel not on catch. As the above shows, the costs of fitting out such vessels were very high, indeed they required the bounty to be profitable. No one was yet prepared to take Bruce's advice and use smaller boats using a land base, for which Shetland was ideal.

THE ESTABLISHMENT OF THE HERRING FISHERY IN THE NINETEENTH CENTURY

The process by which a successful herring industry was finally established in Shetland was certainly a long one. Once more it was James Hay who was instrumental in its formation. This time after a few problems at birth the fishery "took off" and appeared as if it would transform Shetland in the 1820's and 1830's. The scale of its success was only matched by the depth of its final failure. These events are of central importance for understanding the social "regression" of the mid-nineteenth century.

It was not until 1809 that James Hay (together with his son William) was next involved in attempting herring fishery. In that year the *Don* was registered and fitted out for the deep sea white herring fishing as under the regulations of the act of 48 Geo. III Cap. 110. Once more this was on the Dutch model; the

Don was a large ship of 80 4/94 tons burden, and required a substantial amount of stores, equipment, and provisions as the licence reveals. The equipment included 24,290 square yards of nets and 800 fathoms of hand lines. The provisions for the crew consisted of: 7 cwt. of biscuits; 3 cwt oat bread; 10 cwt. potatoes; 2cwt barley; 4 bolls oatmeal; 6 barrels beef; half a cwt. of sugar; half a cwt. molasses; 10 gallons of whisky; 6 dozen porter; 6 lb. tea; 14 lb. of coffee; and 27 lasts of water.³³

It certainly seemed that there were some advantages in being a herring fisher over that of a haaf fisher. This time there were no problems over the payment of bounty and Hay³⁴ received £320 for the Don for the 1809 season. Although there are no records for the catch for that season Hay felt that it was worthwhile to make a second attempt the following year. And of course a vessel of this size was very useful for smuggling as well as catching herring.

In 1810 after some initial problems with the loss of nets at the beginning of the season it appears that it was a better year for catches than 1809. Hay ran out of barrels for his herring and had to buy 500 extra from Francis Yates (its is possible that Yates was also involved in the herring fishing on his own account).³⁵

That year also saw the first shipment of herrings to Ireland which was to become one of the most important markets for Shetland produce.³⁶ The other was to the West Indian market where herring was used as a cheap food for the slaves.

There are no records for 1811, but by 1812 the Hays were fitting out at least two other ships, the Margaret (burden of 73

8/94 tons) and the **Mary**. They both started the season by
37 fishing for cod, then changed to herring at the end of June.

In 1813 the Hays had, at least, four ships. Besides the
Margaret and the **Don** there were also the **Catherine** and the **George**
38 **Rose**.

Also in that year the Hays brought fourteen Dutchmen to
Shetland to teach the Shetlanders the full range of skills
required for the herring fishing, in particular to improve the
quality of the cure. They were successful since 500 barrels of
39 Shetland herring were sold in Libau for £1,672 (after charges).

James Hay was later to claim that the cost of equipping the 4
vessels and employing the 14 Dutchmen came to £8,000 and that a
40 substantial loss was made that year. However, the Hays
continued to fit out vessels for the herring fishery in the
following years.

This period reveals the continual problems faced by those
trying to establish a Shetland herring fishery on the Dutch
model. Besides the "natural" problem of the unpredictability of
the seasons, there was the high fixed capital costs of expensive
ships and shore stores and equipment, which could not be covered
in poor years. Part of these costs were written off because the
herring like the cod fishing was used as a cover for smuggling.
In the early nineteenth century Shetland did not experience the
contemporary expansion of the industry as in Caithness and other
parts of the North East (as described in Gunn's **The Silver**
Darlings). Nor were there any obvious reasons for the rapid
expansion of the 1820's/ 1830's. What can be stated is that
over a lengthy period of time a number of Shetlanders had
acquired the necessary experience in catching, curing, and

trading that were the prerequisites for future development. One of the most important reasons for the succesful fishery was the shift from copying the Dutch by using large expensive vessels to a Scottish system of smaller vessels (often half decked). In 1781 John Bruce had recommended the use of boats of only five tons. It seems to have taken his fellow Shetlanders forty years to take his advice. In Caithness it was not until 1814 that the boats used in the herring fishing were of the size of those used⁴¹ at the haaf. In Shetland the shift was due to four reasons: 1) the rapid expansion of the herring fishing out of the confines of Caithness; 2) the introduction by a few significant individuals of smaller cheaper vessels on the Scottish model; 3) the tendency for the local economy to be integrated into the national economy and; 4) the realisation by the lairds that the herring industry could be organised within the existing form of organisation of production, the fishing tenure system of the Zetland Method.

The new information given above and the recent research of J.R. Coull calls into question the existing wisdom that the herring industry was established by a few innovating landlords:

The initial impetus in the establishment of the herring industry was due to the exertion of a small influential group of landowners.⁴²

Certainly the form that the industry was to take was greatly influenced by their involvement, particularly once they realised that they could organise the herring fishery alongside the haaf as part of the fishing tenures. However the origins lie outside the lairds but the future of the fishing was limited by their

social organisation of production. This highlights the problems faced by the Shetland economy in the 1820's and 1830's. These were times of the greatest expansion under local control. Shetland at this time would appear to be a model for economic development; industry was locally owned and locally controlled and managed, and there was even the import of capital which was used to finance local economic development. Yet in twenty years all the hopes were in ruins and the fishing had collapsed. Much of the burden of responsibility lies with the pernicious Zetland Method and the failure of the "capitalists" to break that system. First the industry in the 1820's/ 1830's.

In 1820 the "Shetland Herring Co." was established; its shareholders included Charles Ogilvy as well as James Hay & Son. A year earlier J. Hay & Son had made enquiries about getting some boats from other areas of Scotland to attempt a fishing off Shetland. Then in 1821 two boats from Orkney with crew from Fife and Peterhead were engaged for the season. One, the *Hope*,⁴³ for Francis Yates, the other, the *Experiment*, for Hay. From then on the industry rapidly expanded, going from strength to strength.

During the 1820's both the number of barrels cured and the number of curers increased. From only 2 curers in 1821, William Hay and Francis Yates, to 10 in 1825, and 18 in 1826 (including 3 from outside Shetland). In 1821 there were only 437 barrels cured (less than Hay was curing in the 1810's), in 1825 this had⁴⁴ risen to at least 2,000, to 3,348 in 1826, and 8,000 in 1827. As early as 1827 Shetland herring were being shipped to the West⁴⁵ Indian slave market at the price of 18/- per barrel. The

Orkney and Zetland Chronicle summed up the general feeling of optimism of the mid-1820's when it wrote that there were:

...herrings sufficient to supply the whole world might be caught if the proper means were employed.⁴⁶

In particular Bruce of Sumburgh was picked out for praise and the success of his Cunningburgh tenants at the fishing:

This season, in particular, it has through the patriotic exertion of Mr Bruce of Sumburgh, made a considerable advance, and in a short time the most beneficial consequences to the whole islands may be expected to ensue.⁴⁷

In a similar vein a later issue confidently states that in the coming season (1826) the curers were preparing to cure 10,000 barrels some five times the previous year's amount.⁴⁸ The solid achievements of the 1820's were transformed into the great successes of the 1830's, and it certainly seemed that the "proper means" had been found.

During the 1830's the annual average number of barrels cured were 22,000, the high point being 1834 with 43,000, some 10% of the total Scottish catch.⁴⁹ Goodlad gives the following figures for the total number of cured barrels of herring in the 1830's.

TABLE 2

HERRING CATCH 1833-1839 inc.
(in barrels)

YEAR	AMOUNT
1833	25,999
1834	41,000 (1)
1835	32,192
1836	22,600
1837	17,719
1838	19,278
1839	4,872

notes: (1) Coull gives a figure of 43,000 for 1834.

Source: Goodlad, A. Shetland Fishing Saga
Lerwick: Shetland Times 1971 p.173

It is possible to give an estimate of the value and profitability of the fishing in the 1830's. The following figures are taken from the calculations of Arthur Anderson as published in his paper ⁵⁰ *The Shetland Journal*. In 1836 the Shetland catch was 27,000 barrels (again there is a discrepancy with the figure given by Goodlad) which were sold at 30/- each, valuing the total catch at £40,500. Costs were estimated at only half of this of this sum. The fishers received between 5/- and 7/- for a barrel. Since so many of the fishers were paid within the truck system they would probably receive the lower rather than the higher figure. Also if the boat and nets were held in debt then the catch is divided between the crew and the boat owner. Anderson therefore gives an estimate of only £4,500 as the total income for the 2,500 fishermen, or only 1-16/- each for the season. His calculations are given in the diagram below.

DIAGRAM 1

THE PROFITABILITY OF THE HERRING FISHING: ARTHUR ANDERSONS CALCULATIONS FOR 1836

Profit on the barrel:	
Price paid to the fishers	5/-
Barrel costs	3/-
Salt- 2 bushels	1/2
Cooperage, packing etc.	1/-
Freight to market	2/-
Insurance, shipping expences etc.	6d
Wharehouse rent & superintendence	1/-

	13/8

Salemsmans commission & guarantee	
at 5% on the market price of 30/-	1/6

	15/2

Price at market	30/-

Net profit per barrel, yielded to	
the landlord, curer, dealer,	-----
and exporter	14/10

source: The Shetland Journal
No. VIII May 1837

On the total of 27,000 barrels this gives a total profit of over £20,000. The figures are not entirely accurate and cetainly should be regarded as too high in terms of profit and too low in terms of average earnings per boat and fisherman. The price per barrel is probably too high since most of the fish were of low quality and sold in the poorest markets. The incomes are too low because most of the fishers were only active for part of the season, after the haaf had finished (see below). Finally the article from which the figures are taken was written by Anderson as an attack on the lairds and therefore puts the lairds in as bad a light as possible, emphasising the exploitation of the tenants by the lairds by showing the large

profits in relation to the low incomes of the fishermen. Gray gives a figure of 20/- a barrel as the average for the period, and the Shetland herring being of poorer quality would have sold for less than this. If we assume Anderson's other calculations to be correct then the profit per barrel falls to only 4/10, and quite possibly less, than this, giving a profit of £6,525 for 1837 (on Anderson's figures). Taking 20/- a barrel as the price for Shetland herring, and taking the production figures of table 1, the value of the fishery between the years 1833 to 1838 (inclusive) was about £160,000. This is a significant figure in terms of the size of the Shetland economy and shows a great growth over the size of the economy in the eighteenth century.

It seems that the Shetlanders both caught less herring on average than the north east fishermen and also received less for their fish. The above gives an average catch for 1836 of 54 barrels, a later issue of the Journal gives an average over the 4 previous years of 60 crans per boat.⁵¹ A cran is approximately one and a third barrels when fresh but after curing and settling it averages about a barrel. Gray gives a higher figure for the average catch of the north east fishermen of 100 crans.⁵² At this time the east coast fishermen were receiving about 10/- per cran,⁵³ compared with the 5/- to 7/- in Shetland.

The actual organisation of the fishing was similar to that in the rest of Scotland, but with an important local difference. The merchant, curer, or laird supplied the boat and the equipment on credit which was repaid from the catch. The difference was that unlike the Scottish curers the Shetland ones did not set the

prices at the beginning of the season but at the end, a practice taken from the haaf fishing. . . Therefore the existing system of advances and credits continued with accounts only balanced at the end of the season, so the tenant remained in debt. The boats were either built locally or bought second hand from the north east. Gray gives the cost of a boat with a 30 ft. keel at £60 to £70 with the same again for the nets. Ployen gives a similar figure of £120, half for the boat and half for the nets. The costs in Shetland were probably lower since they were so many second hand boats in the fleet, often older and smaller than the east coast vessels. The different sources of origins of the boats and their different ages are reflected in their variety of build and rigging, as described in 1839:

Some of them are sharp both fore and aft, some have a flat stern and a broad bow, some have one mast with a large spret sail, foresail and jib, others have two masts and a big lug-sail in short, there is the greatest variety.⁵⁶

At the height of the fishing there ~~were~~ at least 200 half-decked boats at the fishing, giving an investment in shipping and nets of £24,000. There ~~was~~ also the value of the nets in the 300 open boats used, and this would have been less than that of the decked boats. A figure of £30 worth would not be an overestimate, giving a further £9,000. There was extensive depreciation of the herring ^{fleet}, particularly of nets, and this would have been £2,000 to £3,000 a year. So for the 1830's there would have been a total investment in the fishery of some £60,000. Furthermore there was the shore investment in the necessary stores for carrying on the trade, warehouses, harbours, barrels, salt etc.. It is difficult to give an accurate

estimate of this value, but assuming Anderson's figures to be correct this suggests a figure approaching £70,000 for the years 1833 to 1837. In 1837 Hay & Ogilvy had barrels in storage to the value of £8,000.⁵⁷ This gives some idea of the economic scale of the operation in the 1830's.

The herring stations employed large numbers of women in the gutting and packing of the fish. They were employed on a casual basis and paid on piece rates. Ployen believed that they could earn as much as 2/- per day which he regarded as a significant amount for a woman to be paid.⁵⁸ The best paid labour was that of the coopers, a skilled trade, whose numbers rose as the fishing expanded. In 1833 there were 78 in Shetland, in 1834 this had risen to 120, then to 126 in 1835, after which the numbers declined as the fishing continued at a lower level, to 105 in 1836 and to 109 in 1837.⁵⁹ In the late 1830's Hay & Ogilvy alone had 40 coopers. A master cooper could earn as much as £30 a year, although the majority would receive less than this.⁶⁰

The Hays, in the form of Hay & Ogilvy, were active in all these developments, indeed they were the single largest concern. For most of this period they accounted for half of all the salt imported: in 1826 they imported 6,000 of the 13,000 bushels used, in 1834 it was more than half of the total of the 106,000 bushels. As we have seen they were major curers from the very start of the industry and had stations throughout the islands, in particular in Lerwick and Scalloway. In 1834 they cured three quarters of the west side total, 9,389 barrels out of 12,531.⁶¹ Out of the 200 half-decked herring boats Hay & Ogilvy operated at least 100. Their harbour facilities at Freefield (Lerwick) and

at Blackness (Scalloway) were the best and largest in the Islands. In 1839 they alone employed 40 coopers.

From its height in 1834 the industry quickly declined, while the Scottish fishing continued to expand on the back of rising prices.⁶²

The late 1830's saw a collapse in production as landings fell to 5,000 barrels; the early 1840's were also disastrous.⁶³

Besides a brief upturn in the 1850's - in 1857 the catch rose to 17,000 barrels - the herring fishing remained at a very low level until the 1880's. Within the islands there was a huge destruction of capacity and capital investment as many of the half-decked boats were left to rot on the beaches that they were drawn up on.⁶⁴

The collapse of the industry was one of the main reasons for the bankruptcy of Hay & Ogilvy and the Shetland Bank (see chpt.9), and as such brought to an end a period of internally controlled economic development. The reasons why this happened are only partially natural, in that the annual migratory fluctuations in the herring (and probably also demographic changes) inevitably lead to wide variations in catches from year to year, and over time there will be several years running where landings will be poor. In the case of Shetland what is both interesting and important is the social reasons which meant that the industry was built on weak foundations. When a series of unfavourable factors came to the fore the industry collapsed.

The most apparent reason for the weakness of the Shetland industry was the general poor quality of the cure, a factor that was recognised by contemporaries. Ployen on his visit commented

on this, as did the local newspaper, *The Orkney and Shetland Journal*, this meant that the Shetland fish had a poor reputation⁶⁵ in the markets and fetched low prices. This low quality virtually excluded the fish from the important German/ Russian markets, and led to a dependence on the poorer Irish and West Indian markets, both of which faced significant structural changes at this time. With the emancipation of the slaves the market for herrings rapidly declined to such an extent in 1839 that the *Orkney & Shetland Journal* pessimistically stated:

It therefore appears that this market, to which so large a porportion of the Shetland cured herrings used to be exported, is no longer to be depended on.⁶⁶

If the slave market could no longer be depended on then the curers were forced to fall back on the Irish market. During the 1830's there was annually shipped to Ireland between 5,000 and 8,500 barrels. But from the late 1830's Shetland became almost completely dependent on this one market. In 1840 out of a total cure of 4,397 barrels Ireland took 2,870, and in 1841 this was⁶⁷ 9,346 out of 14,337, and in 1842 it was 5,267 out of 8,050. In 1843 the market virtually collapsed and took less than 10% of⁶⁸ that year's catch. Poor quality fish therefore could only be sold in the poorest of markets, and when these, for their own reasons, disappeared^p then the market for Shetland produce disappeared with them.

The reasons why the Shetland cure was so poor, cannot be just put down to the lack of experience as Ployen suggested. Certainly the expansion of the 1820's/ 1830's brought many new people into the business, but there were many others who were not new and unskilled. The Hays had been curers for over 50 years

over two generations. Likewise, Francis Yates had been active since 1811. From the mid-1820's several curers had come from the south to Shetland, mainly from the west coast, in particular from Rothesay.⁶⁹ Anyway inexperience was not a problem which prevented the expansion of the mainland Scottish fishery. The single most important reason for the low quality cure was the low quality fish used. Coull writes that in 1833:

...less than one-sixth of the export [herring] was branded "full", indicating the generally poor quality of the Shetland cure dominated as it was by "spent" herring.⁷⁰

"Full" herring are those caught early in the season with their roes and high in fat, the best condition for a good cure. "spent" refers to those which have spawned and have a low fat content down from 20% to less than 10%, which makes a much inferior final cure; these are caught towards the end of the season from mid-August onwards.⁷¹ This seems almost paradoxical in the light of the long history of herring fishing around Shetland. The very importance of the islands was because of the high quality of the fish found in its waters. The fish caught early in the season reached the highest prices in the continental markets. It would appear that the Shetlanders were ignoring all the lessons of history by concentrating their catch on the poor quality fish. This was due to the herring fishing being mainly carried on late in the season after the haaf fishing had ended:

Throughout the period the herring season was concentrated in time between late July and mid-September after the Haaf season.⁷²

This conclusion is supported by the evidence in the Truck
Commission⁷³ and in the Orkney & Shetland Journal which wrote in
1839 that:

Unlike the Dutch who start to fish in June...in Shetland this
is not until August, since by this time the Cod & Ling
fishery is then over and the herrings are closer to the shore
the result is a poor quality product that fetches low
prices.⁷⁴

Certainly there was a substantial part of the industry that
operated outside the confines of the restrictive haaf fishing,
but this was small compared to that which operated within. Hay &
Ogilvy owned stations in both Skerries and Lerwick which operated
throughout the season. Arthur Anderson attempted to establish
an industry of free fishers based on the island of Vaila that
would break the grip of the haaf. He offered premium payments for
fish caught early in the season. However his attempt ended in
failure (little is actually known about Anderson's company
besides the fact that it failed).⁷⁵ Besides these it appears
that the structure imposed by the haaf fishing dominated the
fishing. Of the 500 boats involved in the fishing, some 300
were sixerns, and many of the half-decked boats were owned by
"innovative" lairds such as Mouat of Gardie and Bruce of
Symbister. Behind the great, but brief, decade of optimism lay
the continued domination of the haaf fishery and its associated
form of social relations. This was recognised as early as the
1840's when James Thomson could sum up the problems of the
Shetland herring industry:

In August the quality of fish is mixed, and in September mostly lank or spawned. It is from this inferiority of fish that Shetland has to date the loss of the herring fishery. When the West India demand was taken away, then the fishery began to fall off, and so long as the fishermen are bound to fish for cod till the 12th of August, so long must the catch of herrings be exposed to inferiority of value...this fishing has for years been dwindling away, and so unpromising is its present state that when the material of nets is worn out, it will not likely be renewed.⁷⁶

Goodlad came to a similar conclusion about the significance of the haaf in limiting the herring industry:

It can thus be seen that the locally based herring fishery in Shetland before 1880 was largely a secondary industry, subordinated to the ling and cod fisheries by its capital requirements and later by its irregularity as a result of annual variations in the migration of the North Sea herring. The industry was almost wholly sponsored by local capital and prosecuted under the social system evolved from the haaf and cod fisheries.⁷⁷

Therefore it is clear that there were important social reasons for the failure of the herring fishing. The promises of the 1820's, of a wealthy Shetland based on a dynamic herring fishery had proven to be false. This had not been due to the lack of capital or interest, for the fishery had support from all sectors of Shetland society. Its failure was due to the very structure of that society and the way in which production was organised. The herring fishery could not break the 'Zetland Method' because it had become an integral part of that very system. As such it reveals the strength of the existing system and the failure of the long held dreams of James Hay.

The herring fishery did not die completely after the collapse of the 1840's, it continued at a very low ebb until the last quarter of the century. There was a shift in markets away from Ireland to the Baltic, especially to Prussia. There was an early fishing in the mid-1840's, but nothing developed from that.

Then there was a brief expansion in the 1850's, but that was followed by some very bad years when the prices were very low:

...the price of spent herrings were so low that in the late 1860's and early 1870's it was hardly worth catching the herring, and the trade withered away to practically nothing.⁷⁸

James Methuen, who was at this time the most important fish curer in Scotland, particularly for herring, with stations throughout Scotland, had two stations in Shetland at Cumlywick and Sandwick up until 1869 when the laird took over the fishing
79

for himself. This was for the late fishing. A few others had boats for the late season; J. Robertson had 20 boats and Harrison & Son had 10, but these were only extentions of their haaf
80

activities. At this time Hay & Co. were the principal herring curers in the islands, but even they were making little if anything from the fishing:

They [Hay & Co.] are carrying it on just now at a very heavy sacrifice, year after year, in the expectation that the herring will come.⁸¹

This was said in 1872 and the herrings were to finally come within a decade.

The revival of a Shetland herring fishery began in 1875 when Hay & Co. engaged 11 boats from Orkney for the summer fishing. Even though the weather was bad the attempt was a relative success. In 1876 there were 88 boats, only three of which were Shetland owned. Both that and the following season were poor. Then in 1878 a Wick curer came to Shetland and engaged a few local boats for the early season and was very successful. That year there was also a large late fishery with
82
117 Shetland boats. By now the fishery had been established

on a solid foundation and was to go from strength to strength, as Coull writing on the 1880's makes clear:

...Shetland fishermen were seeing the summer fishery as their main activity, displacing the "haaf" fishing for cod and ling which had held pride of place for well over a century.⁸³

The period from 1880 to 1914 is one of the best known and well documented and studied in Shetland history and little new can be added here. The major difference between this fishery and the earlier fishery was that the control of the industry lay outside the islands. The fishing was dominated by curers and boats from outwith Shetland, as Smith states:

The consequence for the industry in Shetland was its incorporation as a fully integrated part of the Scottish east-coast herring fishery region, based on the overwhelming preponderance of Scottish curing firms, which formed the basis of the industry, both through capital investment and trade expansion.⁸⁴

There were some local firms which could compete with the incomers, in particular Hay & Co. and T.M. Adie. However in 1884 out of the 80 curers active, 66 were from outside Shetland. At the peak of the fishing in 1905, out of the 1700 boats fishing⁸⁵ off Shetland only some 400 belonged to the islands. As early as 1883 the herring fishery was recognised by many giving evidence to the Napier Commission as bringing greater prosperity to the Shetland people. The price was fixed before the start of the season. One gave the details of his agreement as being; 15/- for the first 150 crans then 14/- for any over, then from the first of August it was £1 a cran for the first 250 crans and 14/-⁸⁶ for the over catch. Before the going price was 10/- a cran⁸⁷ only very rarely was it 12/- or 13/-. Answer after answer made it clear that it was the coming of the Scottish curers that

had improved prices; as one fisherman put it:

they [the Scottish curers] have done good to Shetland, and I will tell you how. They have raised wages...This is a Scotch island, but it is those who have come from the mainland of Scotland who have done good to Shetland. It is my belief that if they had not come, fishermen would have been receiving now the same wages as that current when I was a lad.⁸⁸

The herring industry employed many hundreds of women and children at the stations and there wages had risen as well from 6d a day plus food to 8d a day plus food.⁸⁹

Shetland had become fully integrated into the wider Scottish/ British herring industry, which extended along the full length of the east-coast. These incoming curers brought with them the Scottish methods of employing boats which broke the existing system of being tied to one curer and one station.⁹⁰

This transformation to Scottish control occurred when the haaf fishing had declined and the lairds had turned their attention to agricultural change, and when the old system had finally been broken by the Napier Commission. This later herring fishery was a very different creature than that of earlier attempts. It is worth noting that even given this great economic expansion Shetland's population continued to decline, only Lerwick, Burra and Whalsay showing an increase. Indeed Lerwick saw immigration from the east coast fishers, creating the "Lerwick Scotties" a social group that is still seen as being distinct today.

CONCLUSION

The herring fishery in its several forms has been one of the greatest influences in forming the history of the Shetland. The financial investment was far beyond any other industry in the

islands. It is difficult to underestimate its importance in creating the character of Shetland. Much of that character, like so much else in the history of the islands, is that of failure; the failure to establish an industry in the 1780's, the failure to continue the successes of the 1820's and 1830's, the failure to overcome the great social restrictions of the "Zetland Method". It is perhaps an accident of fate that the life cycle of the herring and the needs of the haaf fishing meant that they were almost mutually exclusive. In the end the real failure was that of the Hays and others like them to break the stranglehold of the haaf and of the fishing tenure system on Shetland society and economy. This highlights the importance of social relations in economic organisation. Advances had been made and all were not to be lost (see next chapter), but these were not enough. The collapse of the herring and the bankruptcy of Hay & Ogilvy meant that a new structure had to be created out of the chaos. This was done within a short period of time, but it was a system which was to be built upon the existing structure of the haaf and the fishing tenure, not on the free market and free labour. That was the system so well documented in the Truck Report.

NOTES and REFERENCES

1. Gunn, N. *The Silver Darlings*. London: Faber and Faber 1942. pp.80-81.
2. Jeudine, J.W. *Studies in Empire and Trade*. London: Longmans 1923. p.79.
3. The most detailed work on the relationship between Shetland and the Hansa are:
 Friedland, Klaus: 'Hanseatic merchants and their trade with Shetland' in Withrington, D.J. (ed.) *Shetland and the Outside World*. Oxford: O.U.P. 1983. pp.86-95.
 and by the same author: 'Der Hansische Shetlandhandel' in *Stadt und Land in der Geschichte des Ostseerams*. Max Schmidt-Romhild, Lubeck 1973. pp.66-79.
 (I have a photo-copy of a translation by Alexander Cowan - from which I have taken my references).
 references are: Friedland, 1983. p.95. and Friedland, 1973, p.24.
 This was a fraction of the Dutch herring trade to Hamburg which was some 40,000 tons annually. *ibid.* 1983. p.95.
4. Wallerstein, I. *The Modern World-System II*. New York: Academic Press 1980. p.39.
5. Quoted in *ibid.* p.39.
6. *ibid.* p.39.
7. Wilson, C. *The Dutch Republic*. London: Weidenfeld & Nicolson. 1968, p.65. Wilson goes on to say:
 "a conservative estimate of two million pounds would put its national economic value at something roughly equivalent to the total export value of Britain's famous cloth industry".
 p.65.
8. Boelmans-Kranenburg, H.A.H. 'The Netherland Fisheries and the Shetland Islands' in Withrington, D. (ed.) *Shetland and the Outside World*. Oxford: O.U.P. 1983. p.101.
9. Goodlad, A. *The Shetland Fishing Saga*. Lerwick: Shetland Times, 1971. p.85.
 Goodlad uncritically gives the following figures for the number of Dutch herring busses:
 1614 - 1,000
 1633 - 3,000
 1641 - 1,900
 1650 - 2,000. pp.84-85
10. Boelmans-Kranenburg (1983) *op.cit.* p.100.
11. Goodlad, A. (1971) *op.cit.* p.85.
 Smith, H.D. *Shetland Life and Trade 1550-1914*. Edinburgh: John Donald. 1984. p.26.
12. The herring fishing was an area of great dispute between England (and Scotland) and the Dutch Republic. This is expressed in the contemporary dispute over freedom of the seas: *Mare Liberum* versus *Mare Clausum* (The former written by Grotius in 1608, the latter by Selden in 1617 but not published until 1635). The *Mare Liberum* thesis, the right of any nation to exploit the resources of the seas of the world, reflected the aggressive commercial dynamism of the young Republic. The *Mare Clausum* thesis reflected the defensive stance of the British, wishing to control the fish resources

12. continued

of what they saw as their seas, but, at that time, they did not have the naval might to prevent Dutch domination. Later when Britain was the great maritime power it defended the right of the freedom of the seas, we can see a similar stance today in the U.S.A. over rights to the seabed. For further details see

Wilson op.cit. chapter 4, pp.59-73.

Elder, J.R. **The Royal Fishery Companies of the Seventeenth Century**. Glasgow: J. Maclehose & Sons. 1912. Especially chapter 1. Elder goes into detail on the relationship between the Dutch fishery and British foreign policy and the attempts to establish a British herring fishery. For two centuries the numerous attempts to establish a successful fishery failed time after time. Mathias sums up all this in one rather irreverent sentence:

"One of the minor mysteries of economic history is why the British kipper only triumphed in the nineteenth century".

Mathias, P. **The First Industrial Nation**. London: Methven & Co. 1969. p.87.

13. Smith, H.D. (1984) op.cit. p.86.

14. Gifford, T. **Historical Description of the Shetland Islands in the Year 1733**. Edinburgh. 1879. p.7.

15. See chapter 2.

16. SA E.S. Reid Tait Collection. DO/131/4 and DO/131/15.

17. NLS acc 3250 b.1 f.1. J. Sillars to Will. Hay 11/Oct/1763. [hereafter referred to as NLS opcit]

18. NLS op cit b.1 f.3. Thom. Bolt to Will. Hay 22/July/1769.

19. NLS op cit b.1 f.3 Will. Hay to Lady Mitchell 29/Sept/1769.

20. SA Hay of Hayfield. J. Bruce of Sumburgh to Will. Hay 7/Jan/1772 with a note by James Hay on the original letter. [hereafter referred to as SA op cit]

21. SA Bruce of Sumburgh Mss. D8/84/2. **Some Cursory Observations upon the Herring Fishing...** Folio 9.

For full details on this fascinating document see chapter 4.

22. SA op cit "Substance of a fishing scheme placed before the Committee April 12th 1785" which was subtitled a "Scheme for Relief of the Natives Inhabitants of Shetland employed in Fishery".

23. *ibid*.

24. SA op cit James Hay to Lachlan McTavish July 20th 1786.

McTavish was involved with the Fishery Committee; in 1786 he was in Shetland, in 1787 he accompanied the Committee in a Tour of the North West coasts of Scotland.

25. SA op cit William Alison & Son (of Dundee) to Jas. Hay 24/Feb/1786.

26. *ibid*. Jas. Hay to W. Alison & Son 28/Feb/1786. and Geo. Dempster to Jas. Hay 13/Mar/1786.

27. NLS op cit b.83 f.1. Proposition to the Dundee People' 20/Mar/1786.

28. SAop cit Thom. Wood to Jas. Hay 3/12/1784 and 28/Jan/1785.

29. This and all further details, unless otherwise stated is from:
NLS op cit b.83 f.2.
Correspondence etc. between James Hay & Messrs. Manning etc. of Yarmouth, concerning a new herring fishing enterprise
30. SA op cit Manning & Co. to Jas. Hay 6/Sept/1786.
31. SA op cit - some actual contracts of employment exist; these give wages for 1787 as John Georgeson of Sandness £24 Scots plus 10/- sterling per 1,000 ling and cod and 2/6 per cast of herrings. Also Marmaduke Williams at the same rates and Andrew Nicolson at £30 Scots plus the same rates for ling and herring - all dated May 1787.
32. NLS op cit b.40 f.3 Copy of letter William Hay to William Smith 7th January 1815 also b.81 f.2 Copy of A narrative, representation and petition of James Hay of Lerwick in Shetland, humbly offered to the consideration of the British Government N.D. but probably 1805 or 1806. In this document Hay goes on to say about the herring adventure and the social relations in Shetland:

"Yet although I was so shamefully Sacrificed The Experiment proved beyond all doubt that had the Shetlanders been liberated from their present state of Fishing Vassalage to their landlords, and in place of being exposed in the Ocean in small open boats only from Twelve to Twenty nights in the year ... Employed in large Comfortable Vessells ... (they) could keep to sea all the week in any Weather and fish with Handlines, long lines or Herring Netts as circumstances permitted".

33. NLS op cit b.113 f.1. Licence for the Don dated 27 June 1809.
34. NLS op cit b.38 f.1 Office for the Herring Fishery to James Hay dated 3rd July 1810.
35. NLS op cit b.14 f.1 Robert Ross to James Hay 30th July 1810.

"I'm truly sorry for your great loss of Nets in the Schooner, you are rather unfortunate in your herring adventures".

From ibid Copy of letter James Hay to Francis Yates 11 Oct. 1810.

In his article "The Herring Fishing in Shetland in the first half of the 19th century" in Northern Scotland Vol.5 No.2 1983. J.R. Coull mentions Yates as one of the earliest curers in Shetland, that was for 1821; this suggests that Yates was active in the herring industry some 11 years earlier.

36. NLS op cit b.24 f.1 Thomas MacGill (of Dublin) to William Hay 8th March 1810.
37. SA op cit "Account of herrings cured and salt used from July 8th 1812".

38. NLS op cit b.17 f.3 Various letters. Also SA op cit Gilbert Henderson (of Liverpool) to William Hay 20th Oct. 1813. The Hays had some problems that year with the crew of the vessel called the Swift, who refused to fish for any more herrings after a severe gale in late June. They were able to transfer the licence of the Swift to the Catherine.
39. NLS op cit b.17 f.3 Accounts. with Hounson & Son of Libau.
40. NLS op cit b.46 f.3 Copy of letter William Hay to Robert Strong and b.18 f.1 Letter from Office of Committee of Privy Council for Trade saying that they were unable to pay any of the cost of employing the Dutchmen.
41. Gray, Malcolm: **The Fishing Industries of Scotland 1790-1914.** University of Aberdeen. 1978. pp.34-35.
The size of boats increased rapidly from 15/16 ft. keel in 1808 to 18 ft. in 1814, with many as long as 24 ft. keel, by 1840 they were up to 30 ft. keel - p.35.
In comparison the six oared boat used in Shetland commonly had an 18 ft. keel by 1774 and by 1819 a 20 ft. keel.
From Nicolson, J.R. **Shetland's Fishing Vessels** Lerwick: Shetland Times 1981. pp.3-6.
42. Smith, H.D. **The Historical Geography of Trade in the Shetland Islands, 1550-1914.** Ph.D. University of Aberdeen 1969. p.205.
I've used the older work to show the slight shift to his recent position. In Smith, H.D. (1984) it is given as

"The initial impetus in the establishment of the herring fishing proper came from a small influential group of landowners". p.113.

43. Coull, J.R. op.cit. p.127.
44. *ibid.*
45. SA op cit Alex Frazer (of Wick) to Hay and Ogilvy 9th June 1827.
46. Orkney & Zetland Chronicle No.XI Oct. 31st 1825, pp.89-90.
47. *ibid.*
48. *ibid.* No. XIV June 20th 1826, p.115.
49. Coull, J.R. op.cit. p.133.
Tudor, J.R. **The Orkneys and Shetland: Their Past and Present State.** London. 1883.
Tudor gives much higher figures: an annual average of 31,512 for the decade and 64,358 for 1834. p.605.
50. **Shetland Journal** No.VIII 1/May/1837.
51. *ibid* No. X July 1837.
52. Gray, M. (1978) op cit p.139.
53. *ibid.* p.82.
54. *ibid.* p.35.
55. Ployen, C. **Reminiscences of a voyage to Shetland, Orkney and Scotland in the summer of 1839.** Lerwick: T. & J. Manson. 1896. pp.170-172. Goodlad, A. (1971) op.cit. p.174 incorrectly calculates the cost as £180.
56. Ployen, C. (1896) *ibid.* p.170.
57. *ibid.* p.173.
58. *ibid.* p.173.
59. Goodlad, A. (1971) op.cit. p.173.
60. Ployen, C. (1896) op.cit. p.174.

61. Coull, J.R. (1983) op.cit. pp.132-133.
62. Gray, M. (1978) op.cit. p.58.
63. Goodlad, A. (1971) op.cit. p.173.
64. Halcrow, A. **The Sail Fishermen of Shetland**. Lerwick: T. & J. Manson. 1950. p.133.
65. Ployen, C. op.cit. p.173. He wrote:

"In the description of how herrings should be cured, the process seems easy and simple, but the reverse is the case. It is a matter which requires long experience and much attention, a matter in which the Shetlanders themselves are very deficient".

Other reference from **Orkney and Shetland Journal** No. XVI, May 1839.

66. *ibid.* No. XV, March 1839.
67. Coull, J.R. (1983) op.cit. p.138.
68. Goodlad, A. (1971) op.cit. p.177.
69. Coull, J.R. (1983) op.cit. pp.135-136.
70. *ibid.* p.138.
71. Goodlad, A. (1971) op.cit. p.180.
72. Coull, J.R. (1983) op.cit. p.136.
73. pp 1872 Vol. XXXV 2nd Report of the Committee appointed to inquire into the Truck System (Shetland) Vol.1 Report and Appendices, p.39.
74. **Orkney and Shetland Journal** No. XVII May 1839.
75. Smith, H.D. (1984) op.cit. p.133.
76. Thomson, J. **The Value and Importance of the Scottish Fisheries**. London 1849 p.163
77. Goodlad, A. (1971) op.cit. pp.176-177.
78. Smith, H.D. (1984) op.cit. p.136.
79. pp 1872 Vol. XXXV 2nd Report Truck op.cit. Vol.11 Minutes of Evidence. Q 15,196 p.384 Q 16,668 p.427.
80. *ibid.* Q 15,195 p.384.
81. *ibid.* Q 10,563 p.257.
82. Coull, J.R. "Shetland's Herring Fishery - Economic boom a century ago" **Shetland Life** No.33 July 1983, p.26.
83. *ibid.* p.26.
84. Smith, H.D. (1984) op.cit. p.71.
85. Coull, J.R. (1983) op.cit. p.28.
86. pp 1884 Vol. XXXVIII Evidence taken by Her Majesty's Commissioners of Inquiry into the conditions of the crofters and cottars in the Highlands and Islands of Scotland. Q's 19,811 - 19,818. pp.1282-1283.
87. *ibid.* Q 18,509 p.1,219.
88. *ibid.* Q 22,484 p.1,424.
89. *ibid.* Q's 22,538, 22, 539 p.1,431.
90. Gray, M. (1978) op.cit. p.204.

CHAPTER 8

DEVELOPMENTS IN THE FISHING INDUSTRY: COD

The tale of the cod-men will not be of profit or loss. Nor will it be dry statistics of fish landed or of export values, but of the romance of effort which brings wealth to the nations, but rarely to those who make it. 1

Captain Halcrow certainly wrote a romantic history of the cod fishery and this chapter does not try to emulate him, instead it locates the fishery in the general historical development of nineteenth century Shetland. Like the herring fishery the cod fishery was the product of local initiative and enterprise, and like the herring and whaling industries the Hay family played a central role in the establishment and development of the fishery. Like the other fisheries it was part of an international industry stretching the full length of the Atlantic/ North Sea, from Newfoundland to Norway. Shetland had to compete with their fish in the main markets. Like the other fisheries it required large capital investment and the accumulation of skills and knowledge in production and marketing. During the stagnant period of the 1840's to 1870's the cod fishery was the only dynamic industry within Shetland. However, it was operated within the confines of the existing social organisation, and as such reinforced the conservative nature of Shetland society (see chpt.9).

The cod fishery was at its height during the 1860s' and 1870's, when the herring fishery was at its lowest point. The two fisheries were inversely related, expansion in one usually meant the decline of the other. Started in the 1810's (at the same time as the herring) the cod fishery declined in the 1830's

while the herring rapidly expanded; when herring was in the doldrums from the 1840's onwards the cod fishery went through several phases each one developing upon the other, and with the herring boom of the later part of the century the cod fishery slowly died out. The cod fishery was able to survive and indeed be successful while operating within the confines of the social organisation of the time. On the one hand this shows a greater degree of flexibility within the system than at first evident, and on the other that there were certain aspects of the cod fishery (technical and natural) that allowed it to be successful.

In the haaf fishing, cod had always been secondary in importance to ling, to such an extent that cod can be regarded as a by-product of the ling fishery. Although cod like ling is a demersal fish it has a tendency to swim throughout the water rather than to keep close to the bottom as ling does. Therefore the catches of cod were restricted since the long lines were laid to catch ling. Cod was also regarded as producing an inferior cure to ling and the fishers received a lower price for them, between a half and two-thirds of that for a ling. Shetland had established a niche for itself in the international markets for stockfish through specialising in ling. If it had concentrated on the production of cod they would have come into even more direct competition than it already did with the cod from Newfoundland and Norway. This is not to say that the possibility of a cod fishing alongside that of the ling had not been recognised.

EARLY HISTORY AND ESTABLISHMENT OF THE COD FISHERY

There were several attempts at employing vessels at the cod fishing in the eighteenth century, using sloops rather than the small open haaf boats. Arthur Nicolson of Lochend fitted out his sloop for this purpose in 1742/43, but it was plundered by a French privateer, and after this setback he does not appear to have attempted again.² During James Hay's herring "adventure" of the 1780's (chpt.7) the Yarmouth ships were to fish for cod with long-lines before trying the herring. In his instructions to John Hill, one of the captains of the Yarmouth vessels, he tells him to proceed to the "Ground called the Foula Shaald", there to be met by the other boats. The cod were to be split and washed then salted in casks "after the Dutch Method". The fish were then to be delivered to William Anderson in Papa Stour³ for drying. In 1788 a cod bank was accidentally discovered 35 miles south-west of Foula by John Slater, a Shetland captain of a merchantman. This may have been the same bank that Hay referred to above. Its position was not to be re-discovered until 1817,⁴ by which time the fishing had become established. Goodlad does some informed guesswork using contemporary, but still secondary, sources to calculate the actual date that the fishery started. He suggests that it was in 1809/ 1810 that there was a conscious attempt to put a cod fishery on a firm footing separate from the haaf fishing.⁵ The following evidence from the Hay records confirms this.

In 1810 Hay fitted out the **Mary** for the cod fishing, this is the first concrete evidence of a ship being fitted out solely[!] for cod fishing. For April and July she fished mainly off Fair

Isle, with a total catch of 5 tons and 12 and three quarters⁶ hundredweight (3,679 fish). Although the evidence is patchy it appears that boats were fitted out for the following few years. In 1812 besides the **Mary**, the **Margaret**, under Peter Vandooler (presumably Dutch), was also sent to the cod fishery, and again both vessels fished off Fair Isle. Between April 30th and June 23rd they together caught 5 tons 14 cwt., after which they concentrated on the herring fishing.⁷ This suggests a close connection between the cod and herring fisheries in the initial period of establishment to cover costs and maximise usage of the boats. The only other person in Shetland who was involved in the fishery was John Ross of Sound who fitted out a boat in 1811 only to be seized by a Danish privateer, although it was later recaptured by a British warship and returned.⁸ Ross continued to send vessels to the fishery, in 1815 James Christie a captain of one of Hay's boats wrote to Hay informing him that his catch was not as good as "Mr Ross' ship".⁹ At this early stage in the industry the cod vessels were undoubtedly used as covers for smuggling, for both Hay and Ross were renowned smugglers, and the boats could easily distribute the spirits from the more isolated parts of the islands. This helped with the original high costs of fitting out the vessels, and helped sustain the industry in times of low returns. However it also reduced the efficiency of the ships.

Hay's cod fishing activities soon found him in dispute with the heritors of Lerwick. The main bait for the cod fishery were mussels and these were caught by dragging the mussel scaap in

Bressay Sound. All the heritors had collective rights over the use of the mussel scaap and they believed that Hay was destroying the source for all of them. There was probably also a degree of jealousy at Hay's success. In 1813 Hay was called to appear before the local Admiralty Court to defend his actions. In his memorial to the court Hay stated that mussels were the best bait for the cod fishing, a fishing which had only recently been established by himself and Ross, and which had already proven to be more productive than the fishing methods of the haaf:

...last year [1812]...Mr Ross of Sound equipped a boat which proved more productive than 20 men by the old way of fishing. 10

This would not have endeared him to his opponents. Hay also defended his position by arguing that it was speculators (in its old sense of entrepreneur) such as himself that were the source of a nation's wealth:

As granting the Defendant to be only a Speculative Adventurer He may thereby very Essentially influence his own interest. Yet the Experience of almost all Country's of every Age has proved beyond doubt the benefit & Utility of Speculation, to which Britain owes its present Excellence in Agriculture, Manufactures, Fisheries & every branch of Trade.¹¹

This is the most explicit defence that James Hay ever produced for his entrepreneurial activity. Despite his spirited defence he was found against and was ordered to stop his dredging for mussels in Bressay Sound. This however did not prevent the continuation of the fishery. In 1813 Hay fitted out at least
12
two ships, the *Swift* and the *Catherine*.

The Hay family was therefore instrumental in establishing the cod fishing. Like the herring it followed a similar historical pattern, an interest in developing the industry over a

long period of time, then investing in boats when conditions and capital accumulation allowed. This suggests a great deal of continuity in the economic interest between generations of the Hay family, and this was possible since father and son were operating together. It also highlights the importance in organising innovative commercial/ economic activities in the eighteenth/ nineteenth century of the slow amassing of knowledge and skills, commercial contacts, and capital accumulation, not only for making the original investment but to survive the inevitable failures. By the early nineteenth century the Hay family were in such a position and they took the lead in the internal developments that were taking place in the arena of production within the Shetland economy and not merely in the area of trade.

By the end of the decade the cod fishing was well established, and the re-discovery of the cod bank off Foula aided the expansion. In 1819 there were 24 vessels at the cod fishing, but that was a poor year for catches and profits were derisory. Goodlad estimated them at only £5-5/- per boat.¹³ The numbers fell back to 14 by 1821. An increase in state encouragement in 1821 aided the industry. Previously there had been a debenture of £3 per ton of fish caught, and to this was added a bounty for the vessels of £3 per ton for boats 20 tons or over. Although there were yearly fluctuations, generally the 1820's was a decade of expansion for the fishery. It became a significant factor in the total production of the islands as well as a large employer of men and capital. In 1826 there were 57 decked vessels at the fishing, many of which belonged to the

fishers themselves, employing nearly 600 seamen. The vessels were valued at between £200 and £500 apiece, and the total value was in the range of £20,000. In one week that year it was said that there were 50,000 fish caught at the deep sea cod fishing.¹⁵ This shows the extent to which there was available capital within the economy at this time and the interest in investing that capital into new areas of production.

In the 1820's the boats used to fish from May to early August, and on the whole there was little variation in this. Occasionally some would sail as late as June, and in 1821 the **Margaret** sailed as early as March, but this is the only recorded case of such an early voyage.¹⁶ When the fishery was organised around the local cod banks then the boat was able to return every week to land the fish to be dried and cured and to take on further stores and supplies.

As the above suggests there was a widespread ownership of the cod boats, indeed at this time more than half of the vessels were individually owned.¹⁷ Contemporary sources suggest that money earned at the Greenland whaling and probably also in Naval service was invested in vessels.¹⁸ Within this context of many owners Hay & Ogilvy were the single largest owner and operator of boats. It is not clear from the figures how many ships the company owned outright or if they were "owned" by the crews but who were in debt to the company for the vessels (for details on the methods of owning see below). The company operated: 10 ships in 1821; 7 in 1822; 8 in 1823; 8 in 1824; and 9 in 1825.¹⁹ The company was instrumental in sustaining the

industry in the early part of the decade.

In the 1830's the fishery suffered a depression in which many of the smaller operators went bankrupt. The larger companies with greater resources and diversified interests were able to continue the fishing on a smaller scale than in the twenties, although in 1837 there were 1,600 tons of cod produced,²⁰ mainly going to the Irish market. At this time some of the²¹ Hay & Ogilvy's larger boats went as far as the Faro Islands. Their success encouraged others to do likewise and became common by the end of the decade and the number of vessels began to rise again, although this was partially due to the shift in resources brought about by the decline in the herring fishing. In the 1840's Shetlanders were also being employed on southern cod boats which were fishing off the Faroes and Iceland.

PRODUCTIVITY AND PROFITABILITY OF COD FISHING

Similarly to the herring the impetus behind the cod fishing was to establish a profitable and productive industry. Hay defended his involvement in the industry on the basis that it was a significantly more productive fishery than the existing methods used at the haaf. Against this was the lower prices received for the cod and the greater costs of buying and outfitting a cod vessel. Also like the herring, state encouragement in the form of bounty and debenture were important in maintaining the industry by reducing the fixed costs to the investor, and increasing income to the fishermen.

Table 1 below gives a guide to the average catches of the cod boats in the early 1820's.

TABLE 1

ANNUAL AVERAGE CATCH PER VESSEL 1821-1825 inc.
(to nearest cwt)

YEAR	No. of ships	catch	
		tons	cwt.
1821	7	8	5
1822	6	8	2
1823	8	9	1
1824	8	6	8
1825	7	8	8

source: SA Hay of Hayfield
notebooks & journals of cod
fishing. various vessels 1821-1825

If these figures are compared with those from the most productive of the haaf boats than we can get a rough idea of the relative productivity of the cod smacks. The haaf boats from the north-west were the largest and with most lines, they would catch at most 600 ling weighing at best one and a half to two tons. The cod ships had a larger crew, normally eight men and a boy, than the six man open boats. The prices for cod were also less; in 1826 it was £10 a ton compared with £20 a ton for ling (1824, in 1825 it was £21 a ton for ling).²³ To the value of the cod the value of debenture and bounty needs to be added to give an idea of the worth and income of the fishery.

The debenture was £3 per ton, adding 30% to the value of the catch, the bounty at £3 per ton burden for ships over 20 tons which added an important if variable amount. For example the total value of the catch of the Peterhead Packet²⁴ in 1826 was £116-4/3 (cod: £108-5/-; saithe £7-19/3 selling at only £7 per ton), and it received debenture and bounty of £55-11/-. The costs for that season came to £33-4/4, made up of salt £13-5/4 (199 bushels @ 1/4), and curing £11-19/3 (calculated at 20/- a

ton). The remainder was divided equally between crew and the owner of the boat, each receiving £69-5/6. If there was no debenture and bounty, each would have only received £41-10/-. Similarly the Bee's catch for 1826 came to £90-12/6 and it received debenture and bounty of £36-4/10. Costs charged against the Bee came to £25-18/6, giving the crew and the owner £50-9/5 each. If there were no debenture and bounty this would have only have been £32-7/-. Together the debenture and bounty increased the value of the catch by over 40%. However more significantly they increased the income from the fishery by in the case of the Peterhead Packet by 67%, and of the Bee 56%, more than they would have been otherwise. In 1825 William Hay received for 7 of his ships total bounty of £452-7/6. This effectively meant that there were state subsidies of incomes in the fishing.

The above indicates that the cod fishery was more productive and profitable than the haaf fishing although it relied heavily on government subsidies to maintain this position. Against this must be kept in mind the greater cost of outfitting and risk involved. The great advantage of the cod fishery was that it did not conflict with the haaf fishing, for the cod were caught in banks generally away from the main haaf areas, and it does not appear that there was conflict over labour at this time. The cod could be cured for and sold in the traditional markets for Shetland fish. It did not require the new skills and markets of the herring industry.

Then in 1829 the subsidies were ended and this threw the industry into a crisis which marginalised the cod fishing in Shetland for more than a decade. Only those who could afford to

maintain the boats through the lean years, like the Hays, were able to carry on. At this point investment was shifted from the cod into the herring fishery, and as the latter expanded the former continued at a low level throughout the 1830's.

ORGANISATION AND OWNERSHIP OF COD VESSELS

There were 3 basic forms of organising the cod fishery in relation to the ownership of the vessels:

- (1) Vessel jointly owned by the crew.
- (2) Vessel owned by an individual or company and proceeds divided between owner and crew. (commonly called the half catch system)
- (3) Vessels owned by an individual or company who employ the crew.

In the early days of the fishing the first and second forms were the most common, the third form developed as the structure of the fishing changed. The final phase of the fishery, the Faroese fishing was organised almost entirely on the half catch system. It is perhaps surprising the variety of methods of organising the fishing, particularly in the formative period. This suggests a high degree of flexibility and experimentation within the industry.

(1) There were two versions of the first form of ownership, one where the whole crew owned the boat, the other where only some of the crew owned the boat and they employed further fishers to make up the numbers. The crew would have shares in the boat, either equally or in relation to their initial investment. The profits were divided pro rata to the shares held. This appears to have existed in the early stage of the fishery when many boats were individually owned.

(2) In this form, where the owner was not a member of the crew, there were several methods of calculating the division of the proceeds which also changed over time. In 1815, for the *Mary*, the catch was divided one-third for the owner and two-thirds to the crew, but the bounty was divided in the reverse proportions. This then changed to the crew receiving the value of the fish and the owner the bounty and debenture. In 1821 the contract for the *Anne Eliza* stated that:

It is agreed that the fish caught during the Voyage shall wholly belong to the Captain and Crew as their share of the proceeds of the voyage and in lieu of all claim for wages, Provisions, lines, mens fees, and all other expences in the voyage and that the bounty payable for and in respect of the fish as well as Vessel shall wholly belong to the said William Hay as hire of the vessel. 27

Those that signed up for that season were also obliged to hire others to make up the full crew of 12. Similarly, in 1820, the 7 crew who signed for the *Ann* had to employ two others, to be paid from their shares, "the other two men being fee'd or hired by the sharers". In 1822 the crew of the *Margaret* employed 5 men at wage rates from 30/- to 42/- per month. By 1823 the system changed to the total proceeds being divided equally between owner and crew, a changed that was recognised in the contracts:

...with this difference that instead of the crew having the Fish & the Owner the Bounties each party is to have half of the net proceeds of the fish & the several bounties. 29

This then appears to have become the standard form of organising the fishing and remained so for the rest of the history of the fishery, with the exception of the Davis Straits fishery of the 1840's (see below). The vessels themselves occasionally had multiple owners, as the case of the *Alert* (21 52/94 tons) shows. The *Alert* was bought in 1817 by Donald Bain, a merchant in

Burravoe, and he sold her in 1818 to a group of Lerwick merchants: John Robertson, James Robertson, David Leisk, and William Sinclair. In 1819, William Sinclair sold his one sixth³⁰ share in the vessel to William Hay for £30.

(3) The third form of wage labour was certainly rare at the begining of the fishery, except where it was operated by the crew themselves (above). Futhermore it is not clear when fully employed crews were first introduced. In 1838 the "Shetland

Fishery Co." was advertising for seamen for cod smacks at 40/- a³¹ month.

And by the 1840's Hay & Co. were employing the crews of their ships which were fishing off the Davis Straits and³² Greenland.

And it appears that wage labour existed only for this period of the Davis Straits fishing. These men were on rates similar to that of the Greenland whaling, indeed the structure of the industry was very similar to that of the whaling industry.

Details for the 1840's (details only for 1846-1851) give an average of 20 men per ship, these vessels being much larger than the earlier ones. And includes the most famous of Hay's ships was the **Janet Hay**, a large ship of over 100 feet and a carrying capacity of 150 tons and a crew of 22. The captain could earn as much as £30 for a single voyage, which could last as long as four or five months. The rest of the crew averaged approximately £6, perhaps as much as £7 or £8 if the voyage was long and successful, the monthly wage rates normally being between 30/- and 40/- , with fish money at 1/- a ton. It was a hard way of making a living and the majority of the crews were

young men, almost all in their twenties and thirties, with the apprentices as young as fourteen or fifteen. Even the captains were relatively young, in their mid-thirties, although the captain of the **Janet Hay**, Thomas Peterson, was 50 in 1848. This confirms the speculations of Goodlad, and the evidence in the Truck Commission. The oldest crewman was most likely the cook, often a seaman coming to the end of his working life.

The fishery as it entered its later phase (the Farø fishery) was organised almost exclusively on the Half catch system. By then the ships were large and the voyages to distant waters. The costs of operating such a trade was outside all but the wealthier in Shetland society.

REVIVAL OF THE COD FISHERY

The revival in the fortunes of the cod fishery dates from 1838 and from the exertions of Arthur Anderson. Anderson's company "The Shetland Fishing Company", was improving the cure of the fish which was on the whole regarded as poor. He also used his own mark so that the superior fish would not to be confused with rest of the Shetland fish. Anderson also restarted exports to Spain, which had virtually been closed due to high import duties. There was some serious problems with the operating of the company and it was wound up in 1847, possibly for personal reasons.³⁴ Still Anderson had shown the lead and the cod fishery continued to expand and was seen as being one of the most profitable areas to invest in. In the 1840's, when William Hay was busy trying to rebuild his fortunes after the collapse of Hay & Ogilvy he invested in the cod fishery rather than the herring fishery since its returns were so much better:

One principal subject of my coming South is to try to get money to purchase 2 or 3 vessels for the cod fishing at Davis's Straits...and it will disappoint me much if I do not make as much on £100 laid out this way as on 3 or £400 laid out in any other way. 35

The records for the Hay & Co's cod boats in the 1840's show the Davis Straits as the main destination (see above). These vessels left in May, returning anytime between August to October. The average voyage was about four months, although five months was not uncommon. In 1850 the **Thomas Graham** made an experimental early trip to north Norway, leaving on February the 24th, returning to Shetland on April the 22nd, in time for a second voyage this time to the Davis Straits. There was then a shift to grounds off the Faroes in the 1850's. Later when the smacks were making three trips a season they would go twice to the Faroes and finish with a voyage to Iceland or even Rockall.

The cod fishery reached its peak in the decade of 1863 to 1874, based on a fleet of up to 60 or 70 boats at its height. Few were as big as the **Janet Hay**, and most were 50 tons or so with a carrying capacity of about 30 tons, and a crew of 12 to 15. This made it a significant employer, and Goodlad estimates that there were 1,000 fishers in 1860, at a time when there were over 2,000 men at the haaf.

From the evidence to the Truck Commission we can get a clear picture of the scale and organisation of the fishery at its peak. Details are given for two years 1867 and 1871. In 1867 there were 61 cod smacks at the Faro^e fishery with a total crew of 699. Giving an average crew of 11.5; and the average size of the vessels was 38 tons (a little less than that given by

Goodlad). And the total catch (dry weight) was slightly over 700 tons. In 1871 there were 63 vessels at the fishing with a total crew of 816 men. The average crew was now 13; and the average tonnage of the vessels had risen to 44.6, indicating new investment in larger vessels which replaced the older and smaller ones.

For 1867 we have information on the wages of 509 out of the 699 fishermen. They were credited with: £6,618-13/6 for the fish plus a further £146-3/- for stock, and against this they were charged £514-16/6 for fishing expenses. This gives an average wage of approximately £13-6/- per man for the season. In 1871 there are details for 605 out of the 816 fishermen. They were credited with: £6,689-4/10 for the catch, and £716-16/- for stock, and debited £762⁴-13/4 for fishing expenses. This gives an average wage of approximately £10-18/-. These are not great sums for the hardships endured and not all that much more than the return from the haaf fishing.

Like the haaf fishing the cod was operated as an extension of the Shetland system of credits, and advances with the inevitable debts. In poor years debts were built up, and in good years they were (hopefully) reduced. 1866 had been "a remarkably "lean" Fishing" and of the 509 fishers that we have details for in 1867, 219 of them carried forward debts from 1866. Since 1867 was a better year, by the end of the season only 125 remained in debt. And total debt had been reduced from £1020-6/1 to £570-10/- . 1870 had been a good fishing and only 53 carried debt forward to 1871. However that was a bad year and 240 (out of the 605) fishers were in debt at the end of the

season. Total debts rose from £182-6/3 in 1870 to £1041-9/6 in 1871. The owners of the vessels were willing to advance money and goods to the fishermen. In 1867 the fishers received £3,121 of their wages in goods, and in 1871 this was £4,147 (these include goods advanced for the fishing). The Commission was correct in stating that the Faroecod fishing operated within the Shetland Truck system. At the end of the season a large porportion of the fishermen were in debt to the owners and during the fishing all were in debt to some extent.

DECLINE OF THE COD FISHERY

The fishing went into decline from the mid-seventies and had virtually finished by the end of the century. The main reasons for this decline were increased competition from the Faroese who were copying the Shetlanders in establishing their own fishery. There was a growing problem of maintaining good catches, and the main cod banks were coming under more and more pressure from increased number of boats fishing. In the 1880's when steam trawlers were introduced this made the situation worse and some of the old grounds were fished out. There also appears to have been a migratory shift of the cod northwards. By this time in Shetland alternative employment was becoming available as the herring fishery expanded, as much money (if not more) could be made in better conditions at the herring than at the cod. It became increasingly difficult to get Shetland crews for the boats. By 1900 the fishing was effectively finished; in 1904 the last few Shetland boats had Faroese crews, and in 1908 the last Shetland boat was sold to the Faroese.

CONCLUSION

The organisation of the this later fishery showed some important differences from the earlier. It was organised around a number of family firms, of which Hay & Co. was only one, and at the height of the fishing there were some 10 firms. These included: Garriock & Co. (who replaced Hay & Co. as the single largest operator), Joseph Leask, Charles Nicolson, the Zetland North Fishery Co., George Johnson, G. Harris & Son, and T. & M. Adie & Sons.⁴⁰ These firms structured their cod fishing activities around thier other business interests in curing, trade, and general commerce. The result was that the cod fishery operated as part of a diversified structure, within which, even at a relatively large scale, the industry could survive the inevitable poor years and individual failures. On the whole the fishery was a profitable one for the firms, perhaps less so for the crews.

However this very diversification had its shortcomings. It operated as part of the peculiar social co-habitation that was mid-nineteenth century Shetland society (see chpt.9). The above companies and individuals were integrated into Shetland society, and they helped sustain the system of organisation of production detailed in the Truck Report.

The cod fishing was an important phase in the historical development of production in the Shetland fishery industry. It is important that in the face of the failure of the herring industry that the cod fishery not only survived but was relatively successful. Also of all the fisheries the cod showed the greatest flexibility and development, finally becoming a long

distance deep sea fishery. How was this possible in light of the restrictions highlighted in the last chapter?

The very failure of the herring was a major reason for the success of the cod. The decline of the herring fishery in the late 1830's led to investment in the cod industry led by Arthur Anderson. When Hay & Ogilvy went bankrupt in 1842, the herring fishery was literally at an end. The herring industry was no longer seen as a worthwhile investment. However the 1820's and 1830's had seen the creation of a number of smaller family firms that shifted resources into the cod fishing. The cod fishery was not affected by the haaf fishing for several reasons, the age structure (as suggested above) of the industry did not interfere with the requirements of the haaf. There was plenty of surplus labour in Shetland with the decline of the herring and with a depression in the Greenland whaling. It was possible to organise the cod fishery alongside the other concerns of merchant and laird in mid-nineteenth century Shetland.

In conclusion then the cod fishing was an important aspect of the economic history of Shetland in the nineteenth century, particularly after the collapse of the herring fishery. However, it did not replace the haaf fishing as the central economic institution in Shetland. And it continued to be organised within the same closed social system that had a stranglehold on the Islands. The failure of the cod (and herring and whaling industries), and the failure of the so-called "merchants" was the maintenance of this system. And it is that social system that we need now examine.

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CHAPTER 9

SHETLAND SOCIETY IN THE NINETEENTH CENTURY

...the truck system in an open or disguised form prevails in Shetland to an extent which I believe is unknown in any other part of the United Kingdom, and makes its depressing influence felt in all the ramifications of the industrial and social life of the natives...as a rule, the character and habits of the natives have become so assimilated to it, that they are either unconscious of its working that they would probably themselves be averse to any change. 1

The last chapters have concentrated on the economic development of the islands in the nineteenth century. It is now time to return to the important question of the social organisation of the islands in the mid-nineteenth century. Most of this chapter deals with the slow social changes that took place in Shetland up to the 1880's. This was not an even and slow development but related to the state of production in the islands and the various crises that occurred in the economy. As such Shetland gave the appearance of moving backwards socially or at least stagnant (if such terms can be used when applied to social relations) for much of the mid-century period. The failures of the 1830's and the collapse of Hay & Ogilvy led to the strengthening of the old forms of social relations which were always present, lurking beneath any developments waiting to reassert itself when the new ways end in failure.

There is a series of important social documents produced over this period from which we can construct the structure and organisation of Shetland society in the mid-nineteenth century. These include the New Statistical Account compiled in 1840/41 a

time when the economic advances were in a state of crisis and the social organisation was drifting back to the fishing tenure system. Then there was the Second Report of the Truck Commission (1872); the evidence to the committee is a remarkable valuable document detailing the social organisation of the Islands. After this was the Napier Commission (1883), which makes an interesting comparison with the earlier evidence, showing a tenantry more ready to criticise their betters. This was when the new herring fishery under the Scottish curers had been established and was restructuring Shetland's society and economy.

The previous chapters have shown that there had been a general failure to introduce capitalist social relations into the islands, if we understand those relations in terms of free labour within the sphere of production. For most Shetlanders they only encountered free labour when they left the islands on the Greenland whalers or increasingly the merchant navy. The cod fishing was the only possible exception and even here it was operated within the structure of the existing system, partially because of the age structure of the fishery and partially because of an increased flexibility in the existing method of social organisation. The nature of this system is described below, but some account of the reasons behind the changes are required.

One of the most significant developments was an increasingly subordinate direct role played by the lairds in the actual running of the economy. There was a greater use of factors and tacksmen in the running of the estates. This was to some degree a continuation of a process that had been going on at least since

the 1780's when James Hay (and others) took over the islands' trade. It was also the culmination of the tendency towards the Shetland laird becoming a part of the wider Scottish and British society. In the eighteenth century a few of the richer lairds owned property in Edinburgh. In the nineteenth century they were educated south and took up professional careers south, primarily in law and the armed forces, a significant number going out to India. To this end they were little different from the rest of the British middle-class (particularly the non-commercial section). Those that were absentee landlords were more concerned with the financial returns of their estates than the day to day management of them, which they left up to tacksmen and factors. Some became interested in the running of their estates either as something to do in their retirement from professional life or, in at least one notable case, a fit of feudal-like demagoguery.

It is within this context that much of the landed estates were turned over to others to run them; those that took up the role of tacksmen and factor are commonly referred to as being merchants since they continued to operate these interests as part of more diverse commercial activities. They saw, as we shall see, no contradiction in operating the haaf fishing and cod sloops, for they merely saw them as being complementary and less risky within the historical context of Shetland economy and society. These men had been in their time factors and tacksmen, often lairds in their own right they were well acquainted with the ways of running an estate profitably.

Before going on to discuss the social structure it is

necessary to set this in the economic context of the crisis of the late 1830's / early 1840's. In the last two chapters we have seen the crisis in the herring and cod fisheries; the major outcome of these were the twin bankruptcies of the Shetland Bank and of Hay and Ogilvy. This was a significant event in Shetland and had long term repercussions for the future social and economic development of the Islands.

THE BANKRUPTCY OF HAY & OGILVY

The production problems of the late 1830's and early 1840's were great enough to be called a crisis. The single most significant indicator of the depth of this crisis was the bankruptcy of Hay & Ogilvy. The important point of the failure of Hay & Ogilvy was not only that it revealed the weakness of the Shetland economy but that it reinforced the "Zetland Method" around a new social alliance of lairds and merchants. Several firms were able to take a more active role in the running of the Shetland economy once Hay & Ogilvy went bankrupt. This resulted in a more varied, and possibly more flexible, economic organisation of the islands. It did not result in any further major development like that experienced in the 1820's and early 1830's.

The failure of Hay & Ogilvy in 1842 was a watershed in Shetland's economic and social history. Hance Smith has called it "a fact of the greatest historical significance".² In the 1820's and 30's they had been at the forefront of what at the time appeared to be a new economic order based on the herring and to a lesser extent the cod fisheries. The collapse of the

company brought to an end the most promising aspects of those developments and shook confidence in the strength of the economy. The result was the continuation of the conservative attitude as to how Shetland society and economy should be organised. The society described in the New Statistical Account and in Truck Commission report of 1872 (see below) was little different from that of a century before. It was as if all the ambitions and efforts of James Hay had come to nothing. Shetland had not "progressed" in any sense of the word; the economy had diversified but even there to only a limited extent.

The collapse had important immediate effects, since the well-being of so many depended on it either directly through employment or indirectly through their trading and commercial activities. Hance Smith has written that:

The consequences of the bankruptcy were considerable. Foreign trade was completely paralysed for about two years, as the firm had a virtual monopoly...hundreds were thrown out of work in Lerwick and Scalloway. 3

Nicolson, in his more populist style, has summed up the effects on the islands as a whole as being extensive:

The shock waves that emanated from the collapse were felt for several years as the whole economy of Shetland lay in ruins. Hundreds of coopers, shipwrights and fish workers were out of work in Lerwick and Scalloway and other districts...and a promising era in Shetlands economic history came to a premature end. 4

The effects of unemployment were mainly felt in the central belt of the islands where Hay & Ogilvy had employed many in their ships and fishing boats as well as onshore work. In Scalloway there was destitution from lack of work. In Lerwick the result was worse, for the labouring "population [were] out of employment, and [it] affected almost every body". As early as

June of 1842 the implications of the company being bankrupt were seen; one local wrote to Andrew Hay (William's brother) commenting on the position in Lerwick:

In Lerwick particularly the distress must be very great for there two thirds of the people were dependent on the House in some way or other. 6

In 1843 the minister for Lerwick said that:

...in consequence of recent depressions, owing principally to the failure of the principal mercantile establishment in these islands, many of the labouring classes are now in a very pinched condition. 7

This was certainly the case, although we need to go into more detail on the reasons behind the collapse of the company and its long term social as well as economic effects.

The company was sequestrated on 25 June 1842 on petition by William Irvine (merchant in Lerwick) and the Richardson Brothers. 8
Irvine was only owed £152 and the Richardson Brothers only £176. It is not entirely clear why they and not the Royal Bank were the instigators of the proceedings. 12 days earlier William Hay and Charles Ogilvy wrote to Henry Cheyne, his son-in-law and writer to the signet in Edinburgh, that:

Finding that the affairs of the Shetland Bank and of Hay & Ogilvy are embarrassed we hereby authorize you to apply for Sequestration of our estates in terms of the Act 2 & 3 Victoria Cap 41. 9

Archibald Horne, an Edinburgh accountant, was appointed as interim factor, and the trustees were, besides Horne, George Thorborn merchant in Leith, Joseph Leask merchant in Lerwick, and James Mouat Jnr. merchant in Lerwick. In October 1843 Alex Berwick a brewer in Edinburgh replaced Joseph Leask. The sequestration process never seems to have been concluded, and in

April of 1865 James Howden another Edinburgh accounted replaced Horne as the main trustee. Although the process was never completed both Hay and Ogilvy were cleared of bankruptcy. Charles Ogilvy was discharged in July 1843, and William Hay in November of 1843.¹⁰ That Hay was discharged after Ogilvy made Hay even more bitter against his old partner whom he personally blamed for the failure of the company.

The immediate reason for the failure of Hay & Ogilvy (including the Shetland Bank) was the ending of credit facilities by the Royal Bank in May, with the result that they could no longer carry on trading.¹¹ Between them the firm and the bank had debts of some £60,000. This was only the culmination of events stretching back to the founding of the company and the methods that the partners had used to finance the development and expansion of the company. The firm had also been in serious financial problems from the mid-1830's and had been lucky to have survived until 1842.

Hay & Ogilvy had been established in 1822 with an original capital of £2,400, which was increased to £6,000 in 1825. As early as 1828 the partners had financed the expansion of the company's activities through money borrowed on the security of their landed estates. At that time the Royal Bank provided credit facilities of £14,400. In 1837 this had run out and a further extension of £5,000 was granted on the security of the life insurance policies on William Hay and Charles Ogilvy. By the end of 1837 the company was on the verge of bankruptcy with debts of at least £70,000, the single largest debtor being their own bank. Table 1 shows the extent of the company's debt at the

end of 1837, a year in which there were many bankruptcies throughout the country.

TABLE 1
STATE OF HAY & OGILVY'S DEBTS: END OF 1837

Debt owed to	Amount
Shetland Bank	£33,467
Royal Bank	£19,400
Commercial & Private estimated at least	£17,133

total	£70,000

source: NLS acc 3250 Hay of Hayfield
b.78 f.1

Therefore by as early as 1828 the company depended on credit from the Royal Bank and from 1837 they were effectively bankrupt. This suggests that much of the expansion of the 1820's and 1830's was financed from borrowed capital. This was either borrowed from the Shetlanders themselves through the depositors in the Shetland Bank, or from the south through the Royal Bank and the other creditors. Little has survived on the Shetland Bank, and we do not know who placed their savings in its care, whether it was a few of the wealthier locals or whether it was many hundreds of small accounts from whalers and fishermen. There is some internal evidence which suggests that much of the savings may have come from Lerwick merchants and shopkeepers. It is noteworthy the extent that the bank advanced to Hay & Ogilvy, which at the very least is poor financial policy. One particularly bad policy was the lending of money by the bank to finance the buying of land by the partners, land which was then to be used as security for loans from the Royal Bank. In June of 1842 William Hay's personal debt to the bank was £6,974 and

Charles Ogilvy's was £5,444. In 1842 the bank was owed £45,500, and almost all of it had been advanced to Hay & Ogilvy either individually or for the company.

The company may have been able to sustain such large debts as those they had in 1837 if the fishing, particularly the herring fishing, continued to expand. However the herring fishing collapsed in 1838, and was at a low level for the following years (see chpt.7). It was remarkable that they were able to continue with such large debts up to 1842, and even at the very end Hay was attempting to gain further credit on the security of the property he had left which had not already been put up as a bond. This ability to survive says a great deal for the personal standing of the partners both locally and nationally; and for their financial and commercial ability. Still they could not stop the inevitable. The position of the bank and of the commercial company need to be taken together since they did not operate as separate businesses and because of the extent of advances made by the bank to Hay & Ogilvy. Although there was in 1843 a petition by some of the creditors that they should be separated, this was rejected by the court. Table 2 gives the state of the two businesses in May/June 1842.

TABLE 2
STATE OF THE DEBTS OF HAY & OGILVY AND THE SHETLAND BANK 1842
(taken as one)

Debt due to	Amount
Royal Bank	£20,000
Various others	£1,100
To depositors of	
Shetland Bank	£24,400
By interest bearing accounts	
to Hay & Ogilvy	£4,500
Sundries by Hay & Ogilvy	£10,500

total	£60,500

source: see Table 1

The debts of Hay & Ogilvy itself totalled some £48,000 made up of the following: to the Shetland Bank £33,000, to creditors in interest bearing accounts £4,500, and sundry accounts were £10,500. The assets of the company only came to £31,000, which was made up of: value of stock at shops and fishing stores £18,100, value of fishing vessels £7,800, and debts due the company of £5,000. William Hay claimed that the value of their landed estates were in the region of £48,000 which meant that they could easily cover the debts and that they actually had a healthy surplus. His calculations were based on the value of the annual rentals multiplied by a ratio of 20:1. The annual rentals were: for Hay £1,616 (of which £801 was already part of a bond to the Royal Bank), and for Charles Ogilvy it was £600, plus a further £200 for land owned by the company itself. This argument was not accepted and the estates were taken over by trustees, and were put up for sale. Hay complained bitterly that if sold off the estates would not receive their true value and that the upset prices were far too low.

The estate of William Hay was by far the largest it had an

upset value of £31,915, which meant that its true value was in the region of £40,000. Of this over £13,000 (this and the following values are the upset price unless stated otherwise) was for property in Lerwick; his own house was valued at £1,300 and the property of Hayfield a further £900. The total value of houses and shops in Lerwick was £7,865 plus a further £4,500 for the harbour and warehouse and shipbuilding complex at Freefield, the annual rental of which was given as £400 which meant that it was worth as much as £8,000. It is interesting that Freefield continued to be owned by the Hays and was never transferred to Hay & Ogilvy. The largest part of the estate was the lands in Laxfirth (in Tingwall), where Hay had 477.5 merks at an annual rent of £770 and an upset price of £17,250. His other lands came to £1,380.

The estate of Charles Ogilvy was valued at £8,120, although this is only a partial figure for some of the prices and values are not given in the memorandum, and the true value of his estate was probably in the region of 11 to £12,000. Like Hay he had extensive property in Lerwick; his own house there was valued at £850. Other property in the town came to £1,820 (there are details missing for some of the houses and the value of one was reduced from £238 to £85 because there was a liferent on it, so the real upset prices should be approximately £2,200 and a true value of nearly £3,000 which would rise to £4,000 if his own house is included). Land and houses near to Lerwick came to a further £2,160. Even his three shares in the Lerwick Subscription rooms were up for sale for £15 reduced from their

cost price of £30. There was also 147 merks of land in Yell plus some houses and a wharf, some of which was part of a liferent, and had an upset price of £3,250.

The estate of Hay & Ogilvy itself only came to £3,520, mainly from property in Scalloway. The fishing and shipping facilities at Blackness which rivalled Freefield in size and scope, were put up for sale at £2,800. It was claimed that the cost of developing them had been as high as £5,000 and that the annual rental was worth £200. The rest of the value of the estate came from some land in Weisdale (15.5 merks) and land and the fishing booth in Fetlar, and 2 merks in Hascusay.

The bankruptcy did not prevent Hay from carrying on his business activities although he could not do so in his own name until he was discharged of bankruptcy. He also slowly managed to get much of his estate back through the help of family and friends. In March of 1843 Henry Cheyne put up £800 for Hay to buy 8 boats and a half share in an other and a third share in a further one. In December of that year Thomas Worthington of Manchester, an old family friend, advanced Hay £1,000 which helped him greatly. In the early years the single greatest help came from Thomas Edmondston, who in 1845/46 bought the property of Hayfield and extensive amounts of land in Tingwall and then returned them to Hay on the security of the lands themselves; in effect the lands were mortgaged. It was not until 1849 that William's brother Andrew helped him by advancing £1,200 to buy back property in Lerwick and a small amount of land in Tingwall and Whiteness. It was not until 1853 that Hay was able to buy back Freefield and Blackness, along with further property in

Tingwall (and lesser amounts in Whiteness, Weisdale and Mid Yell), on bond and disposition for £8,700 from the Royal bank of Scotland. Throughout the 1850's Hay accumulated more land in Tingwall and to a lesser extent in Lerwick, with help from Henry Cheyne, Francis Heddel, Duncan McDougal, and Robert Jack.

The revival of his commercial fortunes were equally gradual, and were built up slowly over the 1840's and 50's (for a full and detailed description see Nicolson's history of Hay & Co.). Charles Ogilvy having been cleared of bankruptcy before Hay set up in business and for a while eclipsed Hay in the size and scope of his operation and looked as if he would replace the old company. However Ogilvy's untimely death in 1844 left the way open for Hay to revive his fortunes. Like Hay & Ogilvy the new firm of Hay & Co. were involved in all aspects of Shetland commercial life; trade, fish, as factors and tacksmen. They were factors for the Lordship estate which was a useful source of income and involved them once more in the fish-curing business. Although it grew to be the single largest establishment in the islands it never came to monopolise the commerce and trade of Shetland as Hay & Ogilvy had done. Hay & Co. had to compete with several other family firms, all of whom operated in a similar way, combining a large range of interests to spread risk and secure returns.

The structure of the Shetland economy after the collapse of Hay and Ogilvy is mainly dealt with in chapters 6, 7, and 8 dealing with the whaling, herring, and cod industries respectively, However as numerous authorities have stated the

haaf fishing remained the single most important form of production. Indeed the herring fishing became little more than an extension of the summer fishing. There was an increased reliance on the subsistence economy after the failures of the 1830's. The 1840's were hard years in Shetland, with only a small herring fishing, a struggling cod fishing only slowly expanding and poor catches at the haaf. In such an economic climate the old social relations came to the fore and once more the need for the tenant to fish became imperative; indeed there appears to have been an increase in the haaf fishing from the 1850's. There was increased geographical specialisation; in the north the boats became even larger than before, in the south the fishing concentrated on the saithe fishing, and in the centre where most of the cod fishing was based there was an important early and winter fishing.

SHETLAND SOCIETY IN THE MID-NINETEENTH CENTURY:
ARTHUR ANDERSON

Although slightly out of chronological sequence of the structure of this chapter it is best to deal with the criticisms made by Arthur Anderson of the social organisation of production in the 1830's here rather than earlier. His astute criticisms reveal that even at the height of the economic advances of the 1830's the old form of organisation was still dominant. As such, these advances had failed to restructure the social relations of the Islands.

Arthur Anderson, one of the most successful of Shetland's émigrés, was the co-founder of the P. & O. shipping company, and became the M.P. for Orkney and Shetland. He retained a great

interest in the islands, establishing a fishing company and later providing the money for a school in Lerwick (which is now the Anderson High School) and for a widows' home. In 1836 he founded the islands' first proper newspaper **The Shetland Journal**,¹⁴ which was written (mainly by Anderson), published and distributed from London. In this paper he disseminated his "radical" liberal economic/ political beliefs (the journal was sub-titled "The Good of the People is the Supreme Law"). It was likely that the Journal was to influence and inform those outside Shetland as much as those within. He expressed the view that it was only through the introduction of lassiz-faire capitalism that the ordinary people of Shetland would be able to improve their lot. Anderson stands with James Hay as being the only two true defenders of "capitalism" in Shetland's history (up to this time); their failure makes the history of the islands all the more poignant.

In the pages of the Journal Anderson heavily criticised the economic and moral effects of the "Zetland Method", in a way reminiscent of that 30/40 years earlier. This was commonly regarded as a time of economic expansion, and when the lairds were supposedly no longer in control of the economy. His most biting criticisms were in a series of polemics entitled **Lectures by the Schoolmaster**. One can only feel that this reflects Anderson's paternalistic attitude to the Shetland peasantry. The following quote is taken from one of the "schoolmasters" lectures called **A Practical Illustration of the Nature and Effects of Shetland Fishing Tenures**:

Finding, too, that you [the Shetland tenant/fisher] can never get more than a bare hand to mouth subsistence,...and you do not, in general, work half as hard as people do in the south. And this dependent state, and lazy improvident disposition, of a great many of you have been produced by the system of fishing tenures...It has caused the people in Shetland to multiply beyond the number for which employment can be provided, and consequently there are more people wanting farms and fishing boats than can be supplied with them, and that enables the lairds and merchants to exact much more for the hire of them than what is either just or reasonable. It has therefore turned men, who might otherwise have been tolerably liberal persons, into cunning, hard-hearted, grasping oppressors; and it has turned people, who might have been (like their neighbours the Norwegians) an independent, industrious, well-lodged, and well-fed people, into an abject, indolent, and half-starved race of slaves. (emphasis mine) 15

This is no romantic view of rural life in Shetland. According to Anderson little had changed in the islands over the previous forty years. The Shetland that he describes was little different from the one that he knew as a boy. He may have recognised that the merchants were carrying out many of the operations that the lairds once did, but the system remained the same, and it was still based on "Fishing Tenures". He did attempt to improve the position of the tenant-fisher; he established a fishing company, operating from Vaila, to give encouragement to free fishers. He also encouraged Shetlanders to join the merchant navy by giving details in the Journal of employment in the service and he even tried to recruit them for the Brazilian navy.

One area of political consensus in the islands was the Anti-Corn Law movement, cheap food being in the interest of both laird and tenant in Shetland. Anderson and his supporters in the islands were active in organising opinion against the Corn Laws. In 1839 a petition, with 7,000 signatures, was sent to Parliament asking for the islands to be exempt from the laws. Before

this, in 1837, Anderson had sent a personal petition against the Corn-Laws, and even in this he felt it necessary to attack the "Zetland Method". Point 4 of his petition states:

An injurious and oppressive system of local management which, by giving a monopoly of the labour of the fishing tenantry to the proprietors of the soil and their assigns, tends to keep the former in a state of poverty and debasement, deprives them of a due stimulus to industry and improvement, and, by destroying fair competition, impedes the due improvement of the resources of the islands in their trade and fisheries. 17

Assuming Anderson to be correct, the social organisation of Shetland at the height of its indigenous economic development was barely different from that of the previous century. At the heart of this was the maintenance of the system of landholding where the holdings were so small that they could not provide enough food for the tenants never mind pay the rents from the produce as well. Only by harvesting the sea could the Shetland tenants feed themselves and pay their rent. That would have been a harsh enough life in itself, but in Shetland the tenant was further shackled by having to fish for his laird or tacksman. In the nineteenth century personnel changed but the structure remained remarkably similar, a system to which Anderson gave the term the "Shetland Night-Mare", and that nightmare was now an alliance of merchant and laird. The merchant had not brought with him capitalist social relations, his interests lay with the laird and those were not the interests of the Shetland tenantry.

THE NEW STATISTICAL ACCOUNT

The period from bankruptcy of Hay & Ogilvy to the Truck Commission, 1842 to 1872, saw a continuation of the nightmare, as Brian Smith has put it:

It is a key period: the era when, against all expectations, the "Shetland Method" survived and developed. 18

And as a contemporary wrote in 1841:

The eyes of most people are now open to the necessity of resuming the principles of the old system. 19

That returning to the old principles are so well described by the people themselves thirty years later in the Truck Commission on Shetland.

The New (or Second) Statistical Account provides us with an excellent description of Shetland in 1840/41 and can therefore show to what extent there had been changes from the last account in the 1790's. The central problems of small holdings and the necessity to go to the haaf fish to pay the rent remained the same, even if not enforced with the authoritarian vigour of the previous century. There was also the same arguments put forward in defence of the "Zetland Method". It was as if the islands had barely moved in fifty years.

There were numerous references to the close relationship between fishing and landholding. The tenants plots of land were too small to provide food and rent and it was still necessary to fish for the laird or his factor or nominated tacksman/fish-curer to pay the rent, the developments in the cod and herring fishing notwithstanding, both of which were in decline at this time. 20

Most commented that the haaf fishing remained the tenants main employment outside their work on their crofts. 21 Although, as

one minister wrote, the disaster of 1832 "seems greatly to have
22
dampened the spirit of our fishers", the more analytical saw
that the size of the holdings were the result of the desire to
have as many tenant/fishers as possible, and as such prevented
agricultural improvement:

Perhaps the greatest drawback to the improvement of Yell and
it may be said of Shetland generally, and which, more than
any thing else, operate as a drag on the resources of the
landlord, is the the small parties into which the land is let
off to accommodate the present overgrown fishing
population. 23

another wrote in a similar vein:

Agriculture may justly be said to be in its infancy in the
parish; and as long as the landlords continue to reduce the
farms to the least possible size, no improvements can be
expected. 24

Only two years after this Captain Cameron Mouat was still
arguing that the combination of small holdings and fishing was
25
the only possible way to organise Shetland society. The result
of this was the continuation of the primitive and intensive
agricultural methods as described in chapter 4. The use of
ploughs continued to decline and the spade was virtually the only
26
instrument for working the land. In Unst the minister wrote
that:

In consequence of the reduction of the size of the farms
ploughs have entirely disappeared from amongst the
tenantry...The Old Zetland plough has now yielded to the
spade, and is nowhere to be seen. 27

Even where the plough was still in use, there were fewer, and the
old Shetland Plough had been replaced with more modern Scots
ploughs. In the parish of Sandsting & Aithsting there had been
14 Shetland ploughs in 1797; in 1841 there were only 3 Scots
28
ploughs.

The society described here was little different from that described in the first Statistical Account. The agricultural methods were the same, if not worse; and the haaf fishing retained its grip on the islands and would continue to do so until the link between rent and fishing was broken. In this context the two unequivocal defences of the system are all the more noteworthy. Whenever there was public interest in conditions in Shetland some always felt the need to defend the system from criticism. The defences were on the one hand that such social relations rose from the particular conditions of Shetlands environment, and on the other a call to the higher qualities of the landlord which were separate from those of a world in which the values were increasingly "capitalistic" and "materialistic". Their descriptions of the happy lot of the Shetland tenants rests somewhat uneasily with the analysis put forward by the majority in the Account. Also only one of the defences was written by a clergyman, James Ingram of Unst, the other was by Laurence Edmondston, a doctor and landowner.

According to James Ingram the critics of the lairds were wrong for the Shetland tenants enjoyed conditions far superior to any elsewhere in Britain. They needed to work less and received greater rewards, all thanks to the exertions of their lairds who only had the interest of tenants in mind:

Much has been said, and much has been written, by men very superficially acquainted with the state of the country, about the wretchedness, the enslaved, and oppressed state of the peaseantary. They have had all this information from hearsay, and have not given themselves the trouble to inquire after the truth...They who have lived long amongst the people, and are intimately acquainted with their ways and means, and have seen the comforts they enjoy, can bear the most ample testimony to the fact, that there are but few of Her Majesty's subjects, of the same class, who are treated in a more kindly and indulgent manner by their superiors; who enjoy so much liberty; who pass through life with so little labour or care; or who have reason to be contented with the situation and circumstances a kind Providence has assigned them. 29

Laurence Edmondston provides the most articulate defence of the lairds and puts his argument in a rather fanciful historical context. He keeps his comments vague with no individuals named and no dates given but it can be assumed that he is referring to the previous forty to fifty years. He begins with an idyllic picture of the relationship between laird and tenant, a relationship which was then disturbed through the intervention of ideologues causing great hardship to the tenant. Only now (1840) is the relationship returning to its rightful form:

...a close and kindly connexion between tenant and master subsisted,- the one had all his necessary and reasonable wants provided for, and the other had security for his rents, and each had a near interest in the other's welfare...more for the benefit of the tenant than the proprietor. Under this system the people prospered and were contented,...but individuals, who either could not or would not see the wisdom of this arrangement, in a certain state of society,- entertaining theoretical views of political economy, suited to great capital and high commercial civilization,- were unceasing in their denunciations against the landlords...this ad captandum argument was but too successful...several of the lairds, seduced by the specious but spurious simplicity of this free trade view, annoyed by incessant and unjust charges of ignorance and oppression, or willing to be relieved from the irksome details, consented, and the rest were soon compelled to follow, or have their lands untenanted. For a few years all went on pretty smoothly; but the tenants had now fallen into the hands of a set of small shopkeepers, whose interests was not to secure their rents...Thus the tenants fell into the habits of profusion and heavy arrears,

and bad seasons supervening, the hollowness of the scheme at once became manifest. The shopkeepers (many of whom were also ruined) could not furnish supplies, because the tenants' substance and credit were exhausted; and the landlords, in want of their rents were little able to relieve them. Some of them did, however, interpose nobly; and, but for their instrumentality, the tenants must in many instances have starved. The eyes of most people are now opened to the necessity of resuming the old system, which, in some instances, has been done, and already the aspect of things are improving...there appears to be no alternative of extensive application except that of throwing their lands into pasture, and ejecting the population from their native country...The proprietors have never been absentees; and if the nature of their possessions be such as to demand on their part industrious and detailed superintendence, they may console themselves with the reflection, that in few parts of the kingdom is there a better field than in this, for substantial improvement and active benevolence, or where the lords of the soil have more ample power for the good of the tenants entrusted by Providence to their care. 30

These at first appear to be quite extraordinary statements to make given their more than likely public consumption, but they highlight that in times of crisis Shetland returns to a form of social relations that has existed in the islands for long, and even in the face of the seeming victory of capitalist social relations a reasoned argument can be put forward for the superiority of those older forms. Edmondston was right in at least one point and that was Shetland had returned to the old ways, and those were described so well in the Truck Commission, to which we now turn.

THE TRUCK COMMISSION OF 1872.

The second report of the Truck Commission with its extensive minutes of evidence is one of the most important social documents on Shetland in the nineteenth century. It provides a comprehensive picture of the social organisation of Shetland's society and economy through the indepth examination of nearly 300 men and women from all sections of society, laird, merchant and tenant. For the historian its timing is near perfect, after the developments of the earlier part of the century, and before the coming of the herring boom. Furthermore it can be compared with the evidence presented before the Fishery Committee in 1785 (see chpt.2), and thus we can see what changes have occurred in Shetland over this period.

In the first Report of the Commissioners Appointed to Inquire into the Truck System (1871), evidence was taken from four people on conditions in Shetland and also a letter from the Board of Trade on the high degree of truck in the organisation of the whaling industry. The latter was termed a "remarkable
31
report" by the commissioners. It was felt by the commissioners that further investigation into the situation in Shetland was required before they could comment on the system of truck in the islands, and duly the commissioners were sent to the islands to conduct a second report. From January 1872 they started to take evidence in Lerwick. The first report covered all of Scotland, England and Wales, and the minutes of evidence ran to some 45,000 questions within 900 pages. The second report only on Shetland was 435 pages long and the commissioners asked more than 17,000 questions of nearly 300 people. This gives some idea of the

seriousness that the question of truck in Shetland was given by the commission and by implication the state.

The commissioners were faced by more than the problem of wages paid in goods rather than in cash, but by a form of social organisation where the mass of the people were existing within a tightly controlled "closed" system of social organisation. They then addressed themselves to the problems not only of each branch of the economy, but to the structure and organisation of the economy as a whole. The hosiery trade operated on a fairly pure form of truck. In the whaling there was the problem of debt and advances securing the labour of seamen for particular merchants. There was a similar problem in the cod fishery. In the haaf fishery the problem was of an older and more complex nature. Here a pernicious system of traditon and debt tied the tenant to his laird (or laird's factor) or the tacksman, and this was effectively an extension of the "Zetland Method" (see chpt.2) of fishing tenures enforced by the lairds in the eighteenth century. In 1872 the system had been tightened up because of the heavy advances made to tenants by laird, factor and tacksman in the poor years of the late 1860's.

There certainly were some changes in the operation of this system, and far fewer lairds ran their own estates. They more often then not used the local merchant families as factors or tacksmen. Many of the merchants were themselves landowners. Some of the factors were not merchants and were openly critical of the whole system, as in the case of John Walker who gave evidence to the first report of the Truck Commission. There was

no easy divide between merchant and laird, certainly not in the sense of "merchant" representing "capitalism" and the "laird" of "feudalism" (even within the peculiar history of Shetland). The whole social system of the islands was an unholy alliance of "merchant" and "laird" who had created a form of social organisation that was a combination of that of the eighteenth century and the perceived needs of the diversified economy of the nineteenth. This system was organised around the indebtedness of the tenants through credits and long term advances, and where they were enforced to fish for the supplier of the credit to the exclusion of all others. All of this was tacitly understood rather than explicitly stated and had ingrained itself into the very world view of the people. This will become clearer in the following discussion.

Before going into detail on the fishing industries some details on the hosiery trade will highlight the way in which new developments in the economy are integrated into the existing form of organisation, and how women were as integral^a part of the economy as men were. There has been little chance to look at the position of women in this thesis due to the nature of the sources and industries studied. Perhaps the following will go some small way in improving this position. Women's labour was necessary for the maintenance of all aspects of the Shetland economy; they worked the farms not only when the men were at sea but throughout the year, and in the nineteenth century they provided much of the casual labour for the herring fishery. Their lives were one of hard unrelenting toil as one (male) delegate to the Napier Commission made clear:

22109 Is everything carried on people's backs? -
Everything; and the poor women work a good deal harder than
many of the rich men's horses. No true gentleman would work
his horse so hard as our wives are wrought, and we must needs
do that to make a creditable living. 32

Economic activity in the islands were family based with an
internal sexual division of labour. The area of female labour
that concerned the commission was the hosiery trade. Knitting
was exclusively a female occupation:

I shall take them [the main occupations] in order, premising
that they are part of a family system...They are all
virtually combined in one family...If you take the hosiery
you take the female branch of the family. 33

Hosiery has had a long history in Shetland, and woollen
stockings were an important export since at least the seventeenth
century. In the nineteenth century Shetland woollens,
particularly shawls, became fashionable. This was a more
skilled and more profitable trade than that of stockings, which
had generally been of low quality and fetched low prices. By
the time of the commission a large proportion of women knitted
for merchants and shopkeepers, who advanced them the wool and
then sent the goods south. The trade was organised on a
straight forward truck system, rarely if ever were the women paid
in cash; it was always in goods. They were often forced to take
luxury goods or clothing and the ubiquitous "sweeties" rather
than necessary provisions since the profits on such goods were
higher. Many commented on how well-dressed the Shetland women
were but how poor their diet and living conditions were. This
was particularly true of Lerwick where most of the women were
solely employed in the trade. The result of this system was
that the womens' work did little to improve the standard of

living for themselves or their families.

In the fishing industries the system was less explicit and formalised than it had been in the previous century. The evidence in the commission is that of a tacit understanding which required little covert enforcing. Basically the system was that a tenant had to fish for those who made credits and advances available to him. Also he generally had to buy at the store belonging to the person whom he fished for. In some parts of the islands the lairds where they carried out their own fishing enforced this system themselves, and in others the factor or tacksman operated the system. This was structured around the need of the tenant to pay his rent and debts, something that he could not do from his holding alone. This system then was created out of the particular history of Shetland. In the report it was recognised that it could not be separated from the history of landholding in the islands, in particular the fishing tenure system of the eighteenth century:

It is impossible to separate the question of Truck in Shetland from the land question -(1) Because Truck, in the form in which it chiefly exists, has arisen out of the old relations between landlords and tenants in the times when the landlords were the principal or the only purchasers and curers of fish; and (2) because, to a very material extent the relations between the fish-curer and the fishermen are still subservient and ancillary to the landlord's security for his rent. 34

The last point was particularly evident for the tenants of Bruce of Sumburgh who were obliged to fish for the lairds' son, and also tacksman of much of the estate, John Bruce Jnr., as William Goudie from Toab in Dunrossness made clear in his evidence:

4,418 Do you mean that you have to pay part of your land rent from the fishing? --Our rents depend solely on the fishing. Some men may have a cow or a horse to sell, to help them pay their rent; while there may be ten who would have nothing of the kind to sell, except their fish. On Mr. Bruce's property, so far as I am aware, the bulk of the tenants have to pay their rents from their fishing.

4,419 Do you mean that your farm does not pay its own rent from the crops which it yields? --Yes; we cannot afford to sell any crop with which to pay our rent. If we were to sell the crop for that purpose, we would be deprived of what we have to live upon. The farms are very small, and we require the whole of the crops for our own use. In some years they have not been sufficient to keep us for half the year.

4,420 Then the state of matters is, that you live principally by your fishing, and that your farm is an extra source of employment, or an extra means of living for part of the year? --Yes; some years, when there has been a good crop, it may serve us almost or altogether for the whole of the year; then the fishing pays the rent, and we may have some balance over to help us otherwise. In a poor year I have had experience of it, when crops could only serve us for six months. In that case the fishing had to do the best it could to pay both the land rent and the meal. 35

The above quote raises many important points about the operation of the system in Shetland that need going into in greater detail. First the historical development of the system from that of the eighteenth century; here the merchants were taking over and operating the old system since debt and credit were such deeply ingrained aspects of Shetland society:

The present fish-curers and merchants have not created the system; it existed before them, and they have taken it up as a necessary evil. 36

Some presented a more sophisticated historical analysis, arguing that the present system had its origin in the poverty created by the sub-division of land in the eighteenth century (see chpts. 2 & 4), which was itself a product of the lairds' desire for more tenants to fish for them:

Although the dividing and letting of farms may not be considered relevant to the present inquiry into the truck system, I hold a **decidedly opposite opinion**. No doubt poverty is the foundation upon which the truck system has been reared, and may justly be called its **foster parent**; and the origin may be traced, very clearly too, to the subdividing of farms, it being the interest of the landlord-curer to accommodate as many fishermen as possible.³⁷

This analysis was presented by a parochial schoolmaster and shows a critical mind on the structure and organisation of Shetland society.

At this point in time ~~many~~ of the estates were run by tacksmen and as far as they were concerned they required the tenants to fish for them since the rents did not pay for the tack. Spence & Co. had the tack of a large part of the lands in Unst and Yell from several landowners. For the part of the Cameron estate that they had on tack they paid £1,100, but rents came to only £1,000 and scattald charges (paid by the tenant for the right to graze animals etc. on the hill land) came to a further £100. So by necessity they needed the tenants fish to make a return. Similarly, T.M. Adie held the tack of Bruce of Simbister's land in the Skerries, where the tenants were "obliged" to fish for him. The tack payment was £110 and the gross rental came to only £68. He admitted that the "I³⁸ virtually pay the difference for the [fishing] station". The other aspect of this was that the tacksmen/ curer/ merchant paid the rents for many tenants direct to the laird, either in years that the fishing was poor and the tenants were unable to make enough to feed themselves from their crofts and fishing, or even in good years when the rents would often be paid by a note not by cash, although it was true that some did receive cash from the

curer to pay. The actual workings of the system were as varied as the number of people operating it; and local traditions were often respected as regards the rituals by how rents were paid.

The obligation to fish took several forms. In all areas there was a distinction made between the home or haaf fishery and the cod and whale fisheries, and it appears that men were free to go and to sign up for any ship, although there were some local problems over the payment of liberty money. And there was certainly pressure to go to the fisheries in the vessels of the tenant's tacksman/ merchant. As far as the haaf was concerned, if a tenant was to fish then it was generally enforced that it had to be for the laird or the factor/ tacksman. In some areas this was openly stated and imposed upon the tenants. In other places it was more subtle than this and it was assumed that a tenant would fish for the person he was in debt too, as well as buy his goods from his shop. The problem was of debt enslaving the fishermen to the advancer of credit. Both the creditor and the debtor assumed that he (the tenant and debtor) would fish for the creditor.

These credits were the main basis for the defence of the system. The arguments advanced were that in bad years the laird/ merchant etc., would pay for rents and for foodstuffs, and in return they needed the guarantee that they would receive the tenants fish to pay of these debts. Alexander Sandison, one of the partners in Spence and Co., gave details for the year 1868 which had been a very bad year for the fishing. In that year they advanced food to the value of £1,824 (which he claimed was the cost price), paid the tenants rents of £1,600, and paid for

the cost of boats and curing which was a further £780, in total
39

£4,223. The fishing from nearly 400 men only came to £1,607.

Andrew Grierson put the position in somewhat more emotive terms:

...It is all very well to come down and see the country in a year like this, when money has been flush; but if you had seen a year as 1868 or 1869 or 1870 when the people were coming to you in January starving, and wanting you to advance them meal and other things, and a big debt in the merchant's books, you would have seen that it was not a matter of plain sailing then. 40

This was the standard argument put forward as a defence for the system, and is probably the strongest there was for it although it neglects the historical reasons as to why credit and advances are necessary at all. In hard times like those of the late 1860's the system was tightened up as advances were made and repayment expected. It was used by many to support the existing structure of social relations. This suggests a degree of fluctuation in the system depending on a range of factors, not the least of which was the extent of indebtedness of tenants and fluctuations in the other fisheries/trades of the islands. For John Bruce Jnr. of Sumburgh the whole problem was much simpler than this. The tenants were children and as such could not be expected to look after themselves and required a parent to take care of their needs:

...Many of the fishermen in this country (as indeed many of the poorer classes everywhere) are unable, from the want of thrift and care, to manage their own matters in a satisfactory manner, and require to be thought for and acted for, and generally treated like children 41

Then again Bruce had recently re-introduced fishing tenures into the south of the island, the area which had been first in the late eighteenth century to free the tenants. His tenants when

called before the commission were among the most timid of all, and if the above quote is representative of his character than it is easy to understand why. One of Bruce's tenants was prepared to take a stand to demand his liberty and he told the commission why the tenants were so afraid to tell the truth:

...There is a population down that way of nearly 500, most of whom are fishermen; and out of the whole lot of them there was not a man who would come here and represent their case except myself. Every man among them was frightened he would get his warning if he came forward. 42

Warning here means that the tenant is told (warned) to leave his holding, the laird had the right to evict tenants on forty days' notice. This fear was also true of other parts of the isles; one tenant from the Lunna estate gave the reasons for his fear quite clearly if inadvertantly:

13,830 Are you a tenant of the estate of Lunna? --I do not wish to give any statement before you at all, because the proprietor may not look well upon me and perhaps may raise my rent, or warn me. My name has been put to you privately without my knowledge. I did not give it myself. 43

The position with the "merchants" were no better than that with the lairds for the tenants, with the possible exception of Bruce being the worst laird to be under.

Hay & Co. were factors for a significant amount of land in Shetland, primarily (but not only) through the Lordship estate. Arthur Hay claimed of Hay & Co.:

...I may state that as proprietors, land agents, and trustees we have the management of property to the extent of about one fourth of the gross rental of the islands. 44

They were therefore a major factor in the organisation of Shetland and its landed society at this point in history. Nicolson gives the impression that they were better than many others and that they came out well in the report. His evidence

is that their prices were generally good and quality of goods were high compared to those in the country shops of others, and this was recognised by the commission.⁴⁵ However in the evidence it is clear that they operated the system in the same way as everyone else. In Burra, all the tenants of the Earl of Zetland were required to fish for Hay & Co. One tenant said in his evidence that he had been told by (the late) William Hay himself that he must fish for Hay & Co. and since then this had been confirmed by William Irvine (partner in Hay & Co.). He clearly assumed that he would be evicted if the need be:

...we would be ejected from the place if we were not to deliver our fish to them. 46

Others from Burra said that liberty money of 20/- was required if a man was unwilling to fish or wished to go to the cod or whaling fisheries.⁴⁷ In 1883 Walter Williamson described conditions in Burra at the time that Hay & Co. were factors for the island in strong terms:

We were then in Burra island, under the thralldom of the truck system, and we felt it very much, because we had no power over our fishing. We had to fish to the tacksman, and we never knew the price of the fish until we came to settle, and the tacksman could give us just what he pleased. We felt very much aggrieved, and had several meetings among ourselves to see what plan or principle we might honestly and legally decide upon to keep ourselves clear men, and free like Englishmen. Englishmen have the boast of liberty; we could boast of none although we were British men. We were in bondage and slavery, and we had several meetings to get our liberty - the thing desired by all men. 48

The Burra men had hoped to get the lease of the island for themselves, but they were unable, and they claimed that the Edinburgh lawyers were not willing to deal with "rude" fishermen, and so Hay & Co. remained in place. In North Roe it was

"usually understood" that the men fished for Hay & Co.; David Green their manager there who had been with the company for twenty three years believed that was the case:

7,111 I understand the fishermen hold their land subject to the condition of fishing during summer for Hay & Co.? -- It is usually understood so.

7,112 And I presume that is the advantage which Hay & Co. chiefly derive from their tack? -- It was with a view to that that they entered into it. 49

Like other tacks there were no profits in the rentals only in the fishing and selling goods to the tenants. In Fetlar one of Hay & Co.'s tenants did not even know if he was free to fish for others:

8,862 Are you at liberty to fish for anyone you please? -- I don't know; we get as good a price from Messrs Hay as we would get from anyone else, and we fish for them. 50

Hay & Co. therefore seem to be no different from any other factor or tacksman in Shetland except in terms of the scale of their operation and that prices ^{and} quality were generally good in their country shops.

As the above quote suggests the price that the tenants received for their fish was the same throughout the islands and from whomsoever they had to deliver their fish to. This was termed the "price of the country" or sometimes the "current price". It was an attempt to eliminate forstalling and competition between curers by agreeing on a united price. The clandestine buying of fish from tenants had been a problem from at least the early eighteenth century and as long as there were those prepared to pay cash it would continue. When asked how the price was arrived at the respondents were singularly vague and uninformative and tried to give the impression that it was

fixed by a form of osmosis.

The whole sense and impression from the evidence is that of a quiet acceptance of the system that was deeply ingrained into the outlook of the tenantry. This is close to the fatalism so evident among peasants. Things were the way they had always been. Many dozens of quotes can be given to show this, but there is not space here for such a detailed investigation. The following can be regarded as typical of the general feeling of acceptance of the system:

5,401. Is it only because it is your custom to go, or is it because you are in the way of delivering your fish to Mr Adie, that you go to his store? - Mr Adie has been obliging to me many a time, by helping me when I could not help myself, and therefore I always felt a warm heart towards him, and went to his store. 51

Another tenant who went to the cod fishing did not even know if he would be free to fish if he went to the haaf fishing:

6,025 Do you consider that if you went to the home fishing [the haaf fishing] you would be at liberty to engage with any fish-merchant who offered you a good wage? - (no answer)

6,026 Why do you hesitate to answer that question? You must have some idea about it? - I would not consider myself at liberty until I inquired at my landmaster. 52

This man walked some thirteen miles to Mr Adie's store, yet there was one only half a mile from his house. The very term "Landmaster" gives a sense of inferior position of the tenant, indeed it gives a feeling of the near feudal nature of Shetland society.

The fishing tenure system also had moral effects upon the people. The following are remarkably reminiscent of the arguments against the "Zetland Method" at the end of the eighteenth century (see chpt. 2), just as the arguments for the system remained the same, reflecting how little had actually

changed in Shetland society over a century. As before the main criticisms came from the clergy, perhaps since they were the least integrated into the truck system and were relatively distanced from the lairds. The minister for North Mavine, one of the greatest fishing parishes, put the problem in an insightful "sociological" manner giving the relationship between the social organisation of production and the consciousness of the people (although he perhaps would not have put ^{it} in quite such terms):

...I condemn the system altogether, apart from the men who carry it on. I don't care who the men are; I defy men to be better than what I find around me, but the system would make them what they are on both sides. 53

It was the lack of independence (that most Victorian of values) that was most commented on. In an age when wage labour was regarded as free labour, with the emphasis on being free with its related values of independence of spirit and moral worth, then the burdens of debt were as much a moral problem as a economic one. Again to quote the minister for North Mavine:

...I cannot conceive of any system which could be more ruinous in a moral point of view, apart altogether from its effects upon them in a pecuniary way. In my opinion, the independence of the people is wholly destroyed. There is scarcely a man I know, with very few exceptions, who is not in terror, and terror I could scarcely describe, of the merchant to whom he is indebted, and I believe that three-fourths of the whole of my parishioners are in debt to some merchant or other, and thoroughly under their control. 54

Any moral weakness will lead to character weakness, this was particularly true of Shetland where the system had existed for so long:

...they are deficient in that sturdy independence, if I may so express it, which characterizes the peasantry throughout the rest of Scotland. The system fosters a dependent, time-serving, deceitful disposition, and it cripples independence...it fosters a sort of low cunning. The system having been continued; one might almost say, for centuries, has fostered that element in their character. 55

The people were not entirely amoral, for they had some good and "steady habits", as Dr Cowie termed them. In his position as Admiralty surgeon he had examined between 500 and 600 Shetlanders and he had never found one case of venereal disease. 56

Given that the system had existed for so long and was such an integral part of the Shetland society, economy, and even character, how was it possible to remedy matters? The commissioners put forward the idea that the system could be broken by either paying the fishers a fixed price for their fish (decided before the season began), or that they were to be paid for their fish on a regular basis (monthly or even bi-weekly) at the going market price. They argued that over a period of time the people would grow to accept this new way and be able to live without the credit and advances necessary at present and so ruinous to them. However to those who actually operated the system these alterations would merely result in mass pauperism in an already poor island:

10,052 How would you provide for the transition from that state of things to a system in which the payments would be monthly? -- I think that it would take a greater penetration and wisdom than I can boast of, to solve such a ticklish problem of political economy. I am afraid pauperism would first increase. 57

This was a result that Bruce Jnr. of Sumburgh agreed with, given that the existing system was such an integral part of Shetland

society:

...There are, no doubt, many things in the Shetland system of trade which might be improved, but the system has been of long growth, and so engrained in the minds of the people, that any change must be very gradual; a sudden and sweeping change to complete free trade principles, but would produce endless confusion, hardship, and increased pauperism. 58

We can compare the arguments supporting the "Truck" system with those of nearly a century previously supporting the "Zetland Method". Mouat wrote in 1785 that:

...it is evident and reasonable the Advancer of those necessary Articles should have a preference to the Purchase of all the Tenant's Goods, at least in so far as to indemnify his Creditor 59

In 1871 John Anderson, a fishcurer in Hillswick replied in a similar vein to the commission's questions:

6,578 I suppose you would consider it fair that a man who was in your debt should deliver his fish to you rather than to another, in order that he might pay off your debt? -- Certainly.

6,579 And also that he should take his supplies from your shop, so far as necessary? -- Yes, I would expect that. 60

This assumption is echoed throughout the evidence in the report by the tenants as well as the lairds/ factors/ tacksmen/ and curers. And as Andrew Grierson claimed these advances were necessary for the maintenance of the population when money and food are short.

The Commission looked into the operation of the haaf and
61
provided comparative data for 1867 and 1871. For 1867 they were presented with details of 1,913 fishers at the haaf from 19 different merchants/curers etc.; this represented 80% of the total number at the haaf, therefore giving a total of between 2,250 and 2,300 fishermen, more than three times that at the cod fishing. In 1871 they had details for 1,615 fishermen from 16

merchants/curers representing a little less than 75% of the total, which suggests a slight drop to approximately 2,150 at the haaf. From the data presented to the Commission we can calculate the average return from the fishing, and the extent of indebtedness.

In 1867 the 1,913 fishermen were credited with: £16,899-14/8 for their fish plus a further £2,246-2/6 for stock; against this they were charged £2,242-16/1 for fishing expences. This gives an average return for the season of £8-19/- per man. In 1871 the 1,615 men were credited with: £18,643-9/1 for their fish and £2,116-8/2 for stock, and charged £2,574-12/6. This gave an improved return of approximately £11-5/-.

After the 1866 season there were 596 men in debt; by the end of the 1867 season this had risen to 832 (out of the 1,913 fishermen). At the end of the 1870 season 644 men were in debt; and by the end of the 1871 season this had been reduced slightly to 614 (out of the total of 1,615). In 1866 total outstanding debts had been £3,929-2/4; by the end of 1867 this had risen to £5,560-12/- . Average debt per fisherman had risen from £6-11/- in 1866 to £6-13/8 in 1867. In 1870 the total outstanding debt stood at £5,026-19/2; at the end of the 1871 it was £4,437-1/3. And average debt had gone from £7-13/4 in 1870 to £7-4/6 in 1871.

The fishermen received very little of their wages in money. They received roughly half in goods: in 1867 this was £8,617-5/3 out of net income of £17,120-1/2, and in 1871 it was £6,352-10/4 out of net income of £18,185-4/10. The fishermen also received substantial cash advances before the end of the season, £4,529-16/9 in 1867 and £3,942-9/1 in 1871. Furthermore in 1867, 8 of

the 19 merchant/curers paid the rents for the men and this was included in the calculations for cash advances; for 1871 it was 8 out of the 16. This affected 1,148 out of the 1,913 fishermen for 1867 and 994 out of the 1,615 for 1871. . The haaf was the most advanced form of the problem of advances and debts, more so than the other fisheries, as would be expected. The men were in debt throughout the year and even at the end of the season between a third and a half remained in debt.

In conclusion then it is clear that the the Zetland Method was alive and well in the 1870's, and had proved itself versatile enough to incorporate the new industries of whaling and cod. Fishing tenures were enforced on estates throughout the Islands: in the Sumburgh and Quendale estates in Dunrossness; the Lunna estate in Nesting and Lunnasting; the Ollaberry estate in Northmavine; the estates of Henderson, Budge, and Pole & Hoseason in Yell; in the Skerries held by Adie from Bruce of Symbister; and the following areas held by Hay & Co., Burra, Whalsay and Mrs Robertson's land in Yell and Northmavine. Concerning the rest of the Island the Commission conclude:

On other estates the tenants are nominally free, although it may sometimes be doubtful how far they are able to exercise any choice. 62

THE NAPIER COMMISSION

Only ten years after the Truck Commission took its evidence a new body arrived to listen to the Shetlanders, the Napier Commission. The evidence for that commission provides us with a different picture of a confident and in places articulate society of tenants willing and able to criticise their "social superiors". The Napier Commission was specifically concerned with the rural problems of rent, security of tenure etc., and is therefore less striking in its detail of Shetland life than the evidence in the Truck Commission; however it still provides a valuable picture of Shetland rural society at a time of important social change.

The most striking difference with the earlier commission is the open willingness of the tenants to criticise the lairds and the factors and tacksmen. In most areas of the islands the tenants met in groups to decide on the grievances that they would present to the Commissioners, and to elect a delegate to speak for them. Only twelve years previously only a handful were prepared even to say that they were afraid to speak, in 1883 it seemed as if few could be found not willing to voice criticism. In case after the case the grievances were the same five: high rents, lack of leases, no compensation for improvements, loss of the common hill land for grazing, and the poor quality of houses. There were some localised differences where particular factors were added to this list but these were the most commonly expressed and most deeply felt.

The rents of the tenants' small holdings which had been relatively low until well into the nineteenth century had almost

throughout the island been greatly raised over the previous ten to thirty years. The Shetlanders had never, outside a few isolated and special examples, written leases for the land they worked; an annual verbal agreement was all they had and the laird could remove a tenant with only forty days' warning. In the Truck Commission it was said that the tenants themselves did not want them, but in 1883 the demand was for leases of twenty years or more to give the people security of tenure. It was common for any tenants who improved their holding to have their rent raised, and if they refused they could easily be evicted and a new tenants willing to pay the higher rent found. A particularly hard blow on the Shetland tenants was the enclosing of the common hill land (generally referred to as the scattald) used for grazing their animals. William Balfour recognised in the late eighteenth century that the number of cattle and sheep a tenant had made all the difference to their ability to pay their rent and feed themselves. Take away the peoples right to graze animals and the whole Shetland agricultural system from the position of the tenant was further marginalised. This was especially hurtful at a time of rising prices for animals which had improved the conditions of many in the islands, and the benefits were now going to the lairds as they enclosed the land and created sheep farms. The final grievance of poor housing highlighted the bad conditions that the majority lived in, small, dark, damp, smoky, mainly one roomed hovels. Few had been improved for decades, the tenants wanted the lairds to pay for reasonable and decent accommodation to be build for them at the

lairds' expence.

The feel and character of the evidence can be seen from the following extract from the long statement given by John Spence, the representative of the crofters from Nesting, who after outlining their grievances went on to say:

...While we, thus make known the main grievances under which we are kept down, - grievances not peculiar to ourselves in particular, but to Shetland in general - grievances that we have long and silently borne, and against which we have not risen in rebellion nor taken the law in our own hands, as those in more favoured parts of the country have done - we have no personal ill-will against the landlord or his factor, but against the one-sided land laws, which places us in the power and at the mercy of the owner of the soil - depriving us that feeling of independence and that freedom of thought and action which is our birthright as loyal British subjects.

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This shows the stoicism of the Shetland character which if anything was too reasonable given the people's history. It clearly shows that the people were asking for liberty. Some parts of Shetland had already received this liberty; Walter Williamson the delegate from Burra after detailing the conditions in the island under the truck system (see above) went on to outline the islanders' present position, which he clearly believes is one of liberty:

...Since the Truck Commission came we have little or no complaint to make. It is the only time we have ever got anything like the free liberty of free men.

22103 When did you get free from this truck yoke? - Just shortly after the Truck Commission came. We were watching it with a good deal of interest, and it is from that time only the Burra people have had either a stitch of clothes on their back or a morsel of food.

22104 Now you are at perfect liberty? - Yes, and a most blessed thing it is. We can do anything we like - either go to the merchant who gives the highest price, or cure our fish ourselves. 65

To Williamson, and to many others things were generally improving in the islands and that improvement was only recent, in

the previous five to ten years. It was an economic improvement as well as a social improvement, the rise in the prices of cattle and sheep (now threatened by enclosure) and the coming of the Scottish herring curers, who had assimilated the Shetland fishery into the Scottish fishery. They gave the men higher prices for the fish than they had got previously, prices agreed and fixed before the start of the season, and many women and children were employed at the herring stations. ⁶⁶

But there were still great hardships suffered by the tenants. In Bruce of Sumburgh's estate in the south of the island things were still the same as they had been since John Bruce Jnr. had taken over the running of the estate. In Foula the tenants of Scott of Melby still had to fish for the factors Garriock & Co., who also refused any other shop to be established on the island. ⁶⁷

It had only been three years previously that the tenants on the land held by Hay & Co. in Northmavine had been freed from their obligation to fish for Hay & Co. The delegates from Whalsay complained that Hay & Co. prevented any other shops from opening in the island and that they were the only curers there. ⁶⁸

The Sheriff Substitute, Charles Rampini, claimed that many of the men lost in the 1881 disaster had been in debt to merchants and that:

...the old and pernicious system of dealing still extant between merchant and fisherman is one of the greatest obstacles to his [the tenant/fisherman] attaining a higher level either of comfort or of intelligence. ⁶⁹

James Arthur Hay (of Hay & Co.) even made a half-hearted attempt to defend the old method when answering a question on the truck system:

...I do not recognise it, as the truck system, as it is understood in England - it is the necessity of the situation which the poor fishermen are placed in, they must have assistance of those who employ them to carry on their occupations. 70

However there were few vocal defences of the old system, and it is clear that Shetland society had greatly changed in the previous ten to fifteen years. This new-found courage against their once landmasters can be further seen in the tenants readiness to apply to the crofters' commission for reduction in rents. By 1888 there had been 1,209 applications from Shetland compared to 483 from Sutherland, 550 from Orkney, 645 from Argyll, 966 from Caithness, 1,729 from Ross & Cromarty, and 1,821 from Inverness.⁷¹ By 1897 there had been 2,506 applications to fix a fair rent in Shetland, twice as much as Orkney's 1,224 and almost the same as Sutherland with 2,607, although below Inverness' 5,235 or Ross & Cromarty's 5,611. The old rent of £11,199 had been reduced to a fair rent of £8,012, and arrears totalling £9,505 (out of the total arrears of £13,425) were cancelled. The area covered was 32,489 acres of occupied land and 210,784 of common land, this is out of a total area of 352,000 acres.⁷² These are significant figures giving Shetland's size and population compared with the more well known crofting counties.

This was a dramatic change in the nature of the relationship between tenant and laird and requires some explanation. There took place in the mid-nineteenth century a range of changes in the structure of rural Shetland society that led to the breaking of the existing paternalistic system. The previous chapters have outlined the economic developments in the

whaling and fishing industries, and there remain the changes in the organisation of landholding. Shetland society was based on a particular form of landholding, where the tenant held a small piece of land to cultivate and had access to the hill land for the cutting of peat and the grazing of livestock. In the nineteenth century there was a shift by the lairds to divide the Scattalds, consisting of the farm township and the hill land, between the proprietors, and enclose lands into farms, either for cattle or more often for sheep. This broke the lairds' side of the (unwritten) agreement and with eviction and/or poverty facing the tenant they were more than willing to face their erstwhile "landmasters".

This was a slow process and was the result of a series of different factors in each locality which defined the nature and form of division and enclosure, yet we can still come to a few general statements. The vast majority of divisions were begun in the 1860's, with a lesser number in the 1870's and 1880's. Similarly the greatest number of divisions were completed in the 1860's and 1870's. There were some important precursors to these; there was Nicolson's clearances in Fetlar (see chp. 6), and in the 1840's and 50's the establishment by the Hay family of a cattle farm at Laxfirth and sheep farms at Dale and Veensgarth (in Tingwall and Weisdale); also John Walker the factor for the Cameron of Garth estate established sheep farms in Delting, North Unst and North Yell. Even these highlight how late the divisions were made.

Knox argues that the move to divide the scattalds and to

enclose land represented:

...a significant break with traditional communal ownership in favour of private property... [and that]...In Shetland the motive for change was primarily ideological, reflecting notions of private property and ownership which had swept through Britain during the previous century. 73

Although it is true that the language of the division was formalised in the legal terms of private property then existent in Britain, it was not the case that it was a shift from a pre-capitalist to a capitalist notion of private property. This thesis has attempted to show, amongst other things, the relationship between the forms of production and the social organisation of that production. The lairds changed the structure of landholding not because of an ideological shift on their part but because of a change in the position of landholding in the economic organisation of the islands; the role of land in the economy had changed. For one thing the costs of divisions were very large, and almost all the divisions were conducted through the court of session and required a lengthy and expensive legal procedure (although the act of 1695 meant that it was easier than in England where an act of parliament was needed). For example, the division of the the four scattalds in Delting (total of 4,833 acres) took seven years and cost £1,306, and the small scattald of Trebister (272 acres) in Lerwick took nine years to complete and cost £122.⁷⁴ Few Shetland lairds were going to go to such lengths for ideological reasons; they were concerned with their finances and security of future wealth. They would only do such changes if the former way of securing rent was no longer viable and alternatives were more attractive.

Throughout the eighteenth and early nineteenth centuries

rents were low in Shetland and bore no relation to the cost of purchase. In some areas, particularly the most important for the haaf fishing the purchase price could be as much as 50 to 100 times the annual rental. Burdens on land also rose such that the annual burden in the mid-nineteenth century was approximately half of the islands rental. Under such conditions it was necessary to raise rents. The ability of a tenant to pay the rent had always depended on the success and availability of alternative employment, primarily the in the haaf fishing. The haaf fishing was severely affected by the disaster of 1832 and the fishing depressions of the 1830's/40's. This combined with the agricultural depression in the same period finally brought home to the lairds the problems inherent in the structure of the existing system. It is no coincidence that at this time they were happy for others to take over the running of their estates, the so-called merchants.

At the same time there were external factors that made alternative land use more economically viable. There were the growth of urban markets for meat, communications with which were improving all the time. The first regular steam service was established in 1858, giving easy and quick access to the Aberdeen market and from there to the rest of Britain. The prices of meat rose until well into the 1860's/70's. It appears somewhat paradoxical that Shetland should export foodstuffs at a time when it could not feed its own population. The concrete expression of this was John Walker who "convinced" Cameron of Garth to develop sheep farms.

The Shetland lairds became more integrated into Scottish/British middle class life. A short history of the main estates in the islands in the nineteenth century will show that the military and legal professions became the main concern of the Shetland lairds and their, male, children.

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William Mouat was succeeded by his sister Margaret in 1836 who had married in 1809 Captain William Cameron of the 13th Dragoons and 78th Highlanders, under whose "reign" John Walker was factor for the estate. Their son and heir Major Thomas Mouat Cameron served in the 55th Regiment of Bengal Native Infantry before becoming Convenor of Zetland in 1874. His heir the Reverend William Mouat Cameron followed a career in education. Due to serious financial problems the estate of Arthur Gifford of Busta was put in the hands of trustees. His heir, Thomas Gifford, was a Lieutenant in the 25th Native Infantry of the East India Company. The heir of Robert Bruce of Symbister was William Arthur Bruce an advocate. Three of Robert's other sons were officers in the armed forces, two in India. Another son died in Australia. The heir to the estate of Nicolson of Lochend was Arthur Nicolson who died at Norwood in 1863. His heir Arthur Bolt Nicolson was an officer in the King's Own Regiment and later a resident in Australia, becoming a Commissioner for the goldfields of Victoria in 1853, and died in Melbourne in 1879. John Bruce Jnr. of Sumburgh took over the running of the estate from his father (see above) and died in Edinburgh in 1907. One of his sons was a Colonel in the Indian Staff, another a Lieutenant in the Royal Navy, and another a merchant at Amoy in China. The Scott of Scalloway estate was

put in the hands of trustees in the 1850's and Gideon Scott moved to Edinburgh and died in 1873. John Scott of Melby died in 1850 and was succeeded by a cousin Robert Scott who was Deputy Inspector General of Hospitals and Fleets and later became Deputy Lieutenant of Orkney and Zetland. His heir sold the estate to Herbert Anderton in 1893. Andrew Gierson's heir, James, had married into a Leith mercantile family. One of his sons was an officer in the Royal Navy, another a Lieutenant General in the Royal Engineers. James' heir Andrew John became a Deputy Lieutenant of Zetland. Another of his son's became a Professor of English Literature at the University of Aberdeen. This goes some way in showing the shift in emphasis of the Shetland Lairds.

We do not know, as yet, enough about the detailed histories of individual estates at this time to conclude if the restructuring of the organisation of land in Shetland society was due to pure "rational" economic reasons for maximum return on the land or for greater security of rent, or merely to prevent the payment of significant advances to tenants in poor years. However we can see that the crucial period was the 1860's and 1870's, and it was likely that the hardships of the 1860's and the Truck Commission had important roles to play in the decisions made by many. Almost paradoxically the Napier Commission and the Crofters Act ossified landholding and as such allowed the conservative elements in Shetland rural society to come to the fore and further concentrate economic development in the central belt particularly in Lerwick and Scalloway.

The above are only one side of the equation; it is one thing

for the laird to change the running of his estate to further his own wealth; it is quite another for the tenantry after generations of subjection to stand up against their landmaster. Besides the laird breaking his side of the tacit agreement on landholding (in particular the clearances for sheep farms) there were a number of other factors which helped this process of increasing independence. The growth of external employment in the merchant navy was certainly important, opening people's eyes and minds. There was also the effect of state intervention; the Truck Commission forced the lairds and their factors to defend their actions in public and openly criticised their method of organising virtually every aspect of the economy. In several areas this led to the "freeing" of tenants. The physical expression of this growing was the establishment of a weekly newspaper *The Shetland Times* in 1872, the first independent paper produced in the Islands. This "helped the Shetlanders to at least think their way out of the Shetland Method." ⁷⁶ As we have already seen of central importance was the herring industry which was now fully integrated into the Scottish industry more than any single industry this shaped Shetland's society and economy at this time (above and chpt.7).

POPULATION

At this point it is worthwhile giving a brief survey of the changing population structure in the nineteenth century. The changes in the social and economic structure and organisation in nineteenth century Shetland (as described in the body of the thesis) had a range of effects of the population of the Islands. As the organisation of production, indeed as the form of

production itself changes, so does the structure of population. In Shetland the classic example of this is the clearing of tenants to make way for sheep farms. Less dramatic but just as relevant was the growth of external employment. This is not to argue for a solely materialist analysis of historical demography, but that in certain circumstances it is an important factor that requires consideration within any adequate analysis.

The historical demography of Shetland is, at present, the weakest area in our knowledge of the social history of the Islands. There is the need for work to be done on the eighteenth and nineteenth century population changes. Until then we can only make tentative statements on the general directions of changes in the population structure of the Islands. The following, based mainly on census data, relates these trends to the social and economic changes dealt with in this thesis.

Table 3 shows the changes in the total population from the mid-eighteenth to the early nineteenth century.

TABLE 3
POPULATION OF SHETLAND 1755-1911

Year	Population	% Change over previous decade
1755	15,210	
1784	18,350	
1790's	20,186	
1801	22,379	10.9
1811	22,915	2.4
1821	26,415	14.1
1831	29,392	12.4
1841	30,558	4.0
1851	31,078	1.6
1861	31,670	1.7
1871	31,608	-0.7
1881	29,705	-7.1
1891	28,711	-3.1
1901	28,166	-1.8
1911	27,911	-1.8

sources: Thomson, W. "Population & Depopulation" Withrington (ed) *Shetland and the Outside World 1469-1969*. Oxford: O.U.P. 1983, Census 1801 to 1911.

This table reveals certain trends: the growth in population up until 1861, followed by a decline; the small growth of 1801 to 1811, followed by the rapid expansion of 1811 to 1821 reflecting the large number of Shetlanders serving and being released from the Royal Navy during the French wars. From 1831 the rate of growth slowed as the economy stagnated after the decline of the herring and cod fisheries. It is only from the 1870's that there was a large drop in total numbers. From the 1880's and the development of the herring fishery the population continued to decline but at a reduced rate. The stability brought by the Crofters Act increased the security of tenure but did not prevent the continued emigration from the rural areas. Once the fishing tenure system had been broken fewer people were willing, or indeed able to continue life in the countryside.

However such crude figures on population changes hide as

much as they show. And although it supports the somewhat simplistic analysis given above it does not take into consideration the more complex local factors. Shetland should not be considered as a single unit, for there are important internal differences in the demographic experience of the Islands. These are shown in Table 4, where the population of the Islands are given by the proportion in each area.

TABLE 4
CHANGES IN POPULATION STRUCTURE:
BY AREA (As Percentage of Total Population) 1790-1911

AREA	1801	'11	'21	'31	'41	'51	'61	'71	'81	'91	1901	'11
North West	31	30	30	30	31	31	31	31	30	29	28	25
North East	32	31	30	29	28	28	28	28	27	26	26	25
Central	22	23	25	26	26	26	26	27	29	31	33	36
South	15	15	15	15	15	15	15	14	14	13	13	14
total	100	99	100	100	100	100	100	100	100	99	100	100

Source: Census 1801-1911

note:

North West: Northmavine, Delting, Walls & Sandness, Foula.

North East: Unst, Yell, Fetlar, Nesting

Central: Lerwick, Bressay, Burra and Quarff, Tingwall, Whiteness and Weisdale.

South: Dunrossness, Sandwick, Fair Isle.

The most immediate point revealed by this table is the lack of any major re-distribution within the islands during the nineteenth century. This is true both in times of rising as well as declining total population. The population of the central district has increased although it went through a long stagnant period in the mid-century. What growth there was was centred on Lerwick (and to a lesser degree Scalloway), the rural parts of the district suffered clearances in the 1840's and 50's.

The South's proportion remained nearly the same throughout the century, reflecting the importance of farming and less need for external employment. There was very little change in the North West, for the haaf fishing was the main economic activity throughout the century declining only towards the latter part. The North East suffered from clearances in Fetlar and parts of Unst which explains its decline in the mid-century, and towards the end of the century Whalsay's population grew holding up the area's total share. The changes at the turn of the century are mainly due to the herring fishery, which was centred on Lerwick.

Within these general developments there were significant localised changes which reveal that the population in some parts of the islands was growing, while in others it was declining. One of the most important of these was the increasing urbanisation of Shetland. Table 5 shows the importance of Lerwick and that the population was becoming increasingly concentrated there. Figures are also given for Scalloway. Although of minor importance compared with Lerwick, it experienced significant growth in its own terms and was an important fishing village particularly for the cod fishery in the mid-century.

TABLE 5
GROWTH OF URBANISATION:
LERWICK AND SCALLOWAY 1790's -1911

Year	LERWICK	% of total population	SCALLOWAY
1790's	903	4.5	
1801	1,400	6.9	
1809	1,600	7.0(1)	
1821	2,224	8.4	
1831	2,750	9.4	
1841	2,787	9.1	
1851	2,870	9.2	
1861	3,143	9.9	448
1871	3,655	9.7	525
1881	3,801	12.8	648
1891	4,216	14.7	732
1901	4,803	17.1	857
1911	5,533	19.8	824

notes: (1) percentage is of 1811 figure for population.

source: Census' 1821-1911
IRVINE, J.W. *Lerwick: The Birth and Growth
of an Island Town.* Lerwick: Lerwick
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This confirms that there was a period of slow growth in the town's population in the mid-century. It was not until the social and economic changes which occurred from the 1870's onwards that the town entered a new phase of rapid development. Scalloway was never able to exploit its favourable position as the centre for the important west-side cod and herring fisheries to match the growth of Lerwick. Taken together, in 1911 almost 23 per cent of the total population lived in the "urban" centres.

A further valuable comparison can be made between the fates of Fetlar and Whalsay, as given below in Table 6. These two islands show a remarkable difference in fortune in the second half of the century. Fetlar, one of the most fertile islands in Shetland had one of the unhappiest histories of clearances and population decline of any area. Whalsay however showed a

dynamic resilience to changing pressures and developed a fishing industry which today remains the most innovative within the islands.

TABLE 6

CHANGING POPULATION:
FETLAR and WHALSAY 1841-1911

Year	Fetlar	Whalsay
1841	761	628
1851	658	679
1861	548	728
1871	517	854
1881	431	870
1891	363	927
1901	347	975
1911	279	1,042

Sources: Census 1841-1911

The above two tables reveal that even within a general decline of population, some areas remain buoyant and become the centres for population concentration.

These tell us much about the experience of some areas but they do not reveal anything about the sex structure of the population. Table 7 presents the sex ratio of males per 100 females by the same geographical regions as in table 1. the ratios in Shetland are compared with those of Scotland as a whole.

TABLE 7

CHANGES IN POPULATION STRUCTURE:
SEX RATIO BY AREA: 1801-1911
Males per 100 Females

	1801	'11	'21	'31	'41	'51	'61	'71	'81	'91	1901	'11
North West	82	80	83	85	79	76	70	70	71	71	72	75
North East	81	79	82	82	71	71	70	70	71	78	78	87
Central	77	70	83	86	73	70	65	64	72	69	76	84
South	79	83	81	86	82	79	78	79	83	80	82	81
Scotland	85	84	89	89	90	93	90	91	93	93	95	94

sources: Census 1801-1911,
Flinn M.W. (ed) *Scottish Population History*
Cambridge: C.U.P. 1977 pp.317-318

These data indicate some valuable areas worthwhile of more research. For example, the differences between the regions in the 1801 to 1821 period suggest that the greatest demographic effect of Shetlanders in the armed forces (and possibly also the whaling) were in the central region. At this time employment in the merchant navy was slight and not significant enough to affect the numbers. The high ratios of 1831 is related to the herring fishing. The sharp drop after this reflects the need for men to seek employment outwith the islands, and there was certainly a shift in the structure from males to females. The continually low figure in the central region is due to the high level of external employment for males and the availability of employment of women in the hosiery trade. The higher ratios towards the end of the century show the effects of the herring fishing.

If we use the above table with the two below: Table 8 which gives the sex ratios by age, and Table 9 which shows the general

age structure of the population, than certain important developments are revealed about the changing structure of the population.

TABLE 8

POPULATION STRUCTURE SEX RATIO BY AGE: 1861-1911
Males per 100 Females

Year	AGE		
	0-14	15-64	65+
1861	106	57.7	57.6
1871	107.9	55.2	64.9
1881	106.4	63.7	59.3
1891	103.9	66.5	49.2
1901	107.9	74.9	47.4
1911	106	80.4	50.6

source Census 1861-1911

TABLE 9

POPULATION STRUCTURE BY AGE and SEX: 1861-1911

Year	Male			Female			All		
	0-14	15-64	65+	0-14	15-64	65+	0-14	15-64	65+
1861	38.8	53.5	7.7	25.7	65.0	9.9	31.0	60.2	8.6
1871	42.2	48.3	9.5	27.7	61.9	10.3	33.7	56.3	10.0
1881	37.0	53.6	9.3	25.9	62.5	11.6	30.6	58.7	10.6
1891	35.7	55.8	8.5	25.4	61.9	12.7	29.8	59.3	10.9
1901	33.6	57.9	8.5	24.5	61.4	14.1	28.5	59.9	11.6
1911	31.4	59.4	9.2	24.3	60.7	15.0	27.5	60.2	12.4

source: Census 1861-1911

Table 8 indicates a heavy sex imbalance among the economically active age group (taken as 15 to 64 years), but one which improves towards the end of the century. Table 9 reveals a low point in 1871 after which the proportion of men aged from 15 to 64 rose. Taking these two tables together it looks as if the female structure was experiencing two shifts: one was an ageing of the population structure, the other was a decline in relationship to the number of men. Within a declining total

population this suggests that there was a significant emigration of women towards the end of the century, greater than the net emigration of men. Therefore we can see that the decline of population was due to a general reduction in the numbers of children, a smaller proportion within a smaller total population, and an exodus of women. Shetland; was also an ageing population, but this was mainly due to a greater proportion of elderly women in the population.

This short survey of population changes has been presented to show the effects of the social and economic changes experienced by the Shetland people and the changing demographic structure. It shows that there are important correlations between changes in the social organisation of production and the route of demographic change. No social history of the Islands is complete without some discussion of these changes. This has been a very rudimentary analysis but, hopefully, it does indicate some of the more important areas for future investigation.

CONCLUSION

The social history of nineteenth century Shetland is only now in the process of being written and this chapter is only a small part of one aspect of that history. The chapter has shown the ways in which Shetland society was restructured in the light of the crisis of the mid-century. This was the reforming of the fishing tenure system, but, since history is not cyclical this restructuring of the social organisation was very similar too but not completely identical with that gone before. However, it is clear that the economic advances of the 1820's and 30's were

not matched by a social progress, if social progress is seen as the development of free labour; i.e. capitalist social relations. Behind the veil of development the form of organising production in Shetland had barely changed. What had changed was the structure of control which was a union of, so called-merchant with the laird. As far as the tenants were concerned there was no progress from the laird or merchant for the Shetland tenant.

From the 1860's there was a series of social and economic changes which restructured the social relations within the Islands. There was a shift towards the enclosure of the common land and the introduction of sheep farms, undermining the relationship between laird and tenant. There was state intervention to regulate the systematic abuses of the Shetland system which were now out of step with the perceived social relations between classes befitting a civilised nation like Britain. The Truck and Napier Commissions showed that the state regarded Shetland as socially and economically primitive. The Crofters Act confirmed this by allowing Shetland to remain a peasant society. It is paradoxical that the history of Shetland has been written and rewritten from the context of the sea, while the people have over the centuries clung to their patches of unproductive land.

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47. *ibid* p.21 the money was paid back by Hay & Co.
48. PP 1884 Vol.XXXII Evidence taken (Napier Commission)...op cit p.1,388
49. PP 1872 Vol.XXXV Second (Truck) Report...op cit pp.7, 111, 170
50. *ibid* p.215
51. *ibid* p.133
52. *ibid* p.149
53. *ibid* p.184
54. *ibid* p.179
55. *ibid* p.370
56. *ibid* p.371
57. *ibid* p.243
58. *ibid* p.330
59. Third Report from the Committee appointed to enquire into the State of the British Fisheries. July 1785 Appendix 10 p.137 House of Commons Sessional Papers of the Eighteenth Century, Vol.53 Geo.III Fisheries 1785 and 1786
60. PP 1872 Vol.XXXV Second (Truck) Report...op cit p.158
61. *ibid* Vol.I pp.3-6, 25, 26, 29, 30, 31
62. *ibid* p.6
63. Brian Smith makes the point that the Shetland tenants were the least vocal of all those giving evidence and that when the Commission first arrived in Shetland many were not willing to come forward.
Smith, B. "Shetland & The Napier Commission" New Shetlander 145 1983
This may be true, but what is important is not what the Shetlanders were like in relation to the Highlanders but in comparison to what they were themselves like only a few years earlier. There is no mistaking this remarkable difference between 1872 and 1883.
64. PP 1884 Vol.XXXII Evidence Taken (Napier Commission)...op cit p.1,428
65. *ibid* p.1,389
66. *ibid* p.1,431
67. *ibid* pp.1354-1356
68. *ibid* p.1,392
69. *ibid* p.1,405
70. *ibid* p.1,204
71. PP 1888 Vol.LXXX Report of the Crofters Commission p.105

- 72. PP 1897 Vol.LXXII Report of the Crofters Commission p.725
- 73. Knox, S. **The Making of the Shetland Landscape**. Edinburgh:
John Donald 1985 p.53
- 74. **ibid** p.77
- 75. Details from Grant, F.J. **Zetland Family Histories** Lerwick:
T. & Manson 1907
- 76. Smith, B. (1977) **op cit** p.212

CHAPTER 10

CONCLUSION

We may believe in some doctrine of evolution or some idea of progress and we may use this in our interpretation of the history of centuries; but what our history contributes is not evolution but rather the realisation of how crooked and perverse the ways of progress are, 1

The Highlands were a very different story and perhaps a classic illustration of the inadequacy of any theory of economic growth which suggests that rational organization and efficiently enforced property rights are by themselves adequate guarantees of long-term development. 2

This thesis has examined the social and economic development of the Shetland islands in the eighteenth and nineteenth centuries. It has attempted to come to terms with the complex historical processes that were involved. It is clear that there was no direct path, no route destined for the islands to follow. Similarly the period saw little that could be called social progress. As the quotation from Butterfield shows the ways of progress are indeed "crooked and perverse". Similarly, the quotation from Lenman implies (which is as relevant to Shetland as it is to the Highlands) any theory that is based on commercial relations and property rights is unable fully to explain the route of social and economic development.

The thesis has argued that a materialist analysis informed by a critical understanding of marxist theories of development is the most productive way of understanding the social and economic development of Shetland. Such an analysis emphasises the importance of social relations and the complex nature of social

processes. This is part of a growing awareness of the need to understand the periphery as a part of wider historical processes, but one in which the local is not regarded as necessary subservient to the demands of these wider, and often external forces. Shetland is an example of these external factors reinforcing the conservative social organisation of production, and thus perverting the "historical" route of progress.

By concentrating on the organisation of production it can be seen that the important conjunctures in Shetland's history have been at times of crises in production. At these historical "moments" the existing form of organisation is open to restructuring and there is no predestined route to this restructuring. The balance of relations can quickly change, given the outcome of divergent factors.

For Shetland, and indeed for all of the periphery, the form and structure of internal social organisation needs to be understood within the context of the islands' historical relationship with the "external" world. It is well known that the relationship between Shetland (and also the Highlands) with the "external" world was primarily a commercial one. Therefore a large part of the history of this relationship must be the history of market conditions. However, these relations do not necessarily lead to the creation of market conditions within the islands in land or labour. It is the great paradox of capitalism that it enables the survival of non-capitalist relations, but in a changed form.

Such an analysis is a "dialectic" one, by which is meant the complex interrelationship between many factors each working upon

one another. The main thrust of post-war marxist historiography has been towards such an appreciation of historical processes. Similarly the shift in historical sociology has been towards such an understanding. E. P. Thompson represents the former and Philip Abrams the latter.

These issues have been addressed in terms of the present orthodoxy of the move from lairds to merchants controlling the economy of Shetland. This has been done through a detailed study of the role of the Hay family in the economic development of the Islands. They were the most important entrepreneurial family for more than 60 years, from the 1780's until the 1840's. Every development in the economy, every shift in control, either originated from them or was most developed by them. Their businesses included every commercial activity in the islands. Rarely has one community been dominated by the economic activities of one family over such a long period. They were at the fore-front of the economic advances of the 1820's and 1830's. Does this not support the thesis that a merchant class rose to control Shetland?

Not only is this the wrong question but given the nature of the question any answer will only confuse our understanding of the historical development of Shetland. The question assumes the existence of separate and opposed social groups based on mutually hostile interests in relation to the organisation of production. Furthermore is such a movement of control meaningful for the social and economic development of Shetland? Does it actually mean anything if merchants control external

trade rather than lairds? Smith may believe that trade is the economic dynamic in the history of Shetland, but there is little evidence of conflict between merchant and laird over control of trade. And this is when the term "merchant" actually applies to the activities of that amorphous group. Using a materialist analysis, and emphasising innovative and entrepreneurial activity in the sphere of production, it would be expected that conflict would arise in production, taking the form of attempts to control the labour of the lairds' tenants. This is where we discover the long dreamed of "class struggle" in Shetland.

Nowhere was this more evident than in the whaling industry; and as such it highlights the relationship between external and internal forces. The whaling was part of the industrial development of Britain, responding to local and national market demand for whale oil. Shetland was a source of labour for the industry. The lairds resented the intrusion into their sphere of control and at first attempted to maintain control over their tenants' labour by proposing a scheme to deal directly with the whaling ship owners. They failed and it was the agents based in Lerwick who hired and paid the men. However conflict only arose at times of labour shortage or in particular circumstances when the numbers whaling undermined the viability of the haaf fishing. The fishery was ultimately organised within the existing structure of the social organisation of production. The result was not the victory of a new modernising social class or of continued social and economic progress, but of a restructuring of the tight forms of social control of labour. This can also be seen in the herring fishery.

James Hay failed to establish a herring fishery based on free labour in the 1780's. In the 1820's after a decade of trying, the Shetland herring fishery began to expand, reaching its height in the mid-1830's after which it slumped. Part of this fishery was organised along the "semi-capitalistic" half-catch system, but most was an extension of the existing haaf fishery and as such within the "Zetland Method". The failure of the fishery, one of the most significant events in the history of Shetland, resulted in the reinforcing of the older forms of fishing and the older forms of control. Similarly the cod fishery when was at its height it was organised along the existing method.

These experiences, so well described in the Truck Commission, show how in Shetland the "merchant" and "laird" were not mutually opposed but mutually parasitical on the Shetland tenants. The so-called merchant was factor, curer, tacksmen, often laird as well. He was as ruthless as any laird when it came to exploiting tenants, and he was as dependent on the maintenance of a system of cycles of debt and credit. The important point is that the history of eighteenth and nineteenth century Shetland is not one of "class struggle" between "capitalist merchants" and "feudal lairds" but of a tenantry controlled and exploited by those very people. It is not the history of the success of "merchant" over "laird", since there was no success. Why was it that when everything seemed to be going so well in the 1820's and 1830's that the society and economy regressed? These events cannot be explained either by

evolutionary development or environmental determinism, but by detailed social historical analysis. The real mystery and problem of Shetlands' history is the stranglehold of the "Zetland Method" which proved to be as beneficial to any "merchant" as it was to any "laird".

This thesis has tried to add to our knowledge of the social history of Britain and Shetland in the eighteenth and nineteenth centuries; however it still reveals how much more there is to learn. We can comprehend the actions of the Hays and those like them, but we can still only guess at the reasons behind the lairds decline in the direct running of their estates, and some tentative suggestions have been presented in chapter 9. The experience of the people in the twentieth century has been a similar tale of boom and bust.

The haaf fishing was slow to die for it lingered on in the more peripheral parts of the islands, out of step with the herring boom. Others found ready employment in the merchant navy, and the crews of some companies (such as the Ben Line) seemed to be almost composed solely of Shetlanders. After the First World War the herring declined, and with traditional markets gone and a world depression Shetland suffered greatly. There was a brief respite during the Second World War; thousands of troops were stationed waiting for the invasion, only to be followed by further decline in the late forties and fifties, a time when many hundreds of Shetlanders had to go to the Antarctic whaling to ease their poverty, while others chose to emigrate joining the thousands in Canada, Australia, and New Zealand. Throughout this period Shetland's population continued to fall

and the demographic structure to age. Then, from the late fifties, things began to improve with investment in the fishing and knitwear industries. The fishing industry expanded into the processing of fish, adding value to the finished product. The knitwear industry brought employment to thousands of women, almost entirely on the "putting out system" and on low rates, but it was successful. By the late fifties and early sixties the economy was expanding; Whalsay and Burra fishermen were investing in the most sophisticated vessels available; there was little unemployment, and the population was rising as the young no longer had to leave to find a job. The people were relatively prosperous, certainly by the standards of the recent past. They had council houses to live in and television to watch (even if it was only BBC1 in black and white). It was within this context that oil arrived, and shook the power of the local business elite. Once more the world came flooding into Shetland to exploit the resources near its shores. Forgotten for sixty years, the islands were now at the centre of the nation's attention, and its hope for the future. The Shetlanders were perhaps poorly equipped to tackle the problems facing them, but at the time it appeared that they did remarkably well. Many of the islanders experienced unparalleled material improvement in the seventies. And the islands saw boom days once again, which now appear to be slipping away as the price of oil remains low and the council is in financial problems. Oil has transformed Shetland, but it doesn't control it; the fishing industry has continued to invest in new, better, and bigger vessels with

experienced and skilled skippers and crews which have proven to be successful. The Shetland experience of the twentieth century has been as mixed as that of the nineteenth.

What then are the more general insights that this thesis can offer to theories of development and social change? Firstly it argues that there is no historical route which we are predestined to follow; history is for the making. Secondly it argues that existing marxist theories are too deterministic in their analysis of the position of the periphery in the historical development of the modern world. Thirdly it points out that the internal social organisation of production, which is itself the construct of a specific historical process, should not be underestimated in relation to the more "economic" forces of the external world. As such it is an analysis that is more sympathetic to that of the "internalists" over that of the "externalists", although such divisions are really matters of theoretical emphasis (and political polemic) than mutually exclusive positions. Fourthly, we need to see entrepreneurs as operating within a historically specific social environment, and that mammon does not necessarily lead to the social and economic freedom promised. Any theory must aid our understanding of the social world; when theories obscure rather than illuminate then they must be rejected. When social categories, such as "merchant" and "laird", take on a life of their own and there is a "tyranny of concepts" where reality must be made to fit the theory, then it is time to reconsider those categories and have the strength to strive towards a better explanation without them.

In the end this thesis has tried to give back to the

Shetland people their history although that history has often been an unhappy one. It has tried to do away with the sentimentalism for a non-existent romantic past which separates us from our history. In this age when Shetland is once more at the centre of the mysterious workings of the capitalist world economy, it is perhaps of some comfort to understand our past better and therefore what we are.

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3. For a recent comment on what the Shetlanders have known and experienced for several years see
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